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The Nation's Business

Ottawa Must Share Steel Strike Onus

A wartime strike in steel is a blow against Canada and a blow against the war effort. Blame for this aid and comfort to the enemy rests irrevocably with the steel union and its members. Making the strike even more intolerable for Canadian public opinion are facts like those cited in an article on page nine of this issue: that labor union politics were a factor leading to the strike; that only a small number of workers were paid the basic wage which the unions alleged to be too low.

But at least equal responsibility for stoppage in production of the basic war material rests with the Ottawa administration.

The steel wage problem has been brewing for over a year. The Mackenzie King technique of meeting every situation with compromise is well known to all Canadians; surely it must be known to all his ministers and by this time to Mr. King himself. In other words, officials must have known months ago that when the showdown came, the solution would be a saw-off.

Yet the administration has waited until the gun was at its head to face the problem. A compromise deal is now proposed which threatens collapse of the government's whole wage ceiling policy. It invites demands for wage increases from thousands of other Canadian workers who have been loyally co-operating in the nation's attempt at a no-inflation war, but who now, naturally enough, will say that if there is a great and beneficent grab bag open, they might as well grab too.

The government proposal not only invites but also incites the steel union to repeat its sabotage tactics to gain a stranglehold over more Canadian workers.

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GOVERNMENT DEALS THOUGH STRIKE ILLEGAL

The steel strikes were illegal, according to its own legislation, but the government did business with the strikers. What further use or meaning can illegal strike regulations have?

One very important thing is this: The parties to the question at issue are the striking unions versus the people of Canada or their government. The steel companies themselves are on the sidelines. It is not the companies but government decrees which held wages at certain levels. The people of Canada (through their government) are the only steel customers today. If the government orders a steel wage increase it will presumably pay more for the steel it buys. Taxes and excess profits taxes will catch any cream that may settle on top for the companies.

Hence the steel union strikes and the readiness of the Administration to walk right into the trap prepared for it by the union concern all Canadian citizens mainly; the steel companies only secondarily.

In itself, an increase in basic wages to some hundreds of unskilled laborers in the lowest pay category connected with two steel companies would be relatively unimportant. The cost to the steel companies and to the people of Canada would be insignificant. Certainly this wage increase by itself will not add much momentum to inflation. It is the extension of increases to all or most in the industry that would be dangerous.

The danger lies entirely in this demonstration that the present Administration has a labor policy only of delay, irresolution and compromise; that its present failure in the steel strike simply foments further strikes, sabotaging the war effort and washes out its own "illegal strike" regulations completely; that the administration invites further union demands which can eventually lead only to collapse of the wage ceiling and, in its turn, the price ceiling.

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GIVE BRITAIN THINGS, NOT MONEY

Canada's billion dollar "gift to Britain" is all used up. Our government is now faced with the decision of what to do about another "gift to Britain."

That Canada can and will renew some such additional form of assistance to Great Britain is a foregone conclusion. But it is to be hoped that Ottawa has learned something from the experience of the past as to the manner in which "aid to Britain" should be handled.

Last time Canada made a grave mistake in talking about a "billion dollar gift." No one knows what a billion dollars is. It is a figure that is lost in a war which is being fought in terms of tens and hundreds of billions; a "gift" is a term many people cannot properly distinguish from Lend-Lease.

An official interested in the British reception for Canada's gift tells The Financial Post that today it would be difficult to find a handful of British people who know anything about Canada's billion dollar gift.

When Canada originally arranged the billion dollar gift its announcement was held up so that the Canadian Prime Minister could include it in a speech to the House at his convenience. Because of the resulting lateness of release only one British newspaper reported Canada's gift the next morning. By the next day, when it was old news, only a few brief items, buried deep in the newspapers, carried the fact.

Our informant, who investigated carefully, could not find that a single important British newspaper made any editorial comment on the gift at that time.

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IMPORTANT NOT FOR "CREDIT," BUT UNITY

This matter is of no importance from the standpoint of Canada getting "credit" for her help. But it is important for several reasons that the British people should have known and understood Canada's action.

1. It would have given courage to the British people to appreciate how far Canada is prepared to go into the joint war effort.
2. It would have been a fine demonstration to all the world of unity of purpose without the British Commonwealth of Nations.
3. It would have set a good example to the United States, where some groups still think of Lend-Lease in the nature of a loan to be repaid.

It will be very simple for the administration to improve upon the manner in which our special aid to Britain is to be handled and publicized.

Instead of giving Britain a credit of a billion dollars, we should make her an outright gift of, say, 100 million bushels of wheat, 600 million pounds of bacon, so many tanks, so many rounds of ammunition, so many airplanes and so on.

In effect, that is what we are doing now. We are not giving Britain money. We are giving her food and military supplies. Canadian suppliers are paid out of the public treasury and the Canadian taxpayer carries the entire cost.

Why then put our aid to Britain in terms of dollars? Why not put it in terms of the products; in tangibles that all can understand, measure and evaluate; about which there need be no confusion as to "repayment" or any other misconception. We shall serve Britain and the cause of the United Nations unity better by doing so.

Newsprint Price Rise Under Study

New Approach With O. P. A. Expected to Bring Results — May Limit Ration

From Our Own Correspondent

MONTREAL. — Donald Gordon, chairman of the Wartime Prices and Trade Board, R. L. Weldon, Newsprint Administrator, and other officials, met with representatives of the Office of Price Administration in Washington this week to discuss newsprint prices.

The Canadian delegation went to Washington prepared to lay on the table particulars of mill costs. In the past the refusal of the Canadian mills to divulge such figures effectively blocked attempts to secure approval of the O.P.A. to price increase.

With the additional data the discussions entered a new phase. It is understood officials of the O.P.A. were open to conviction that the price increase was justified, but their attitude in the past has been "prove it."

Progress Made

Discussions this week are understood to have resulted in considerable progress. However, there is no indication that a change in prices is in immediate prospect.

It has been customary for some time past to revise prices on a quarterly basis. This precedent is likely to be followed, so that no change in

(Continued on page 2, col. 4)

He Fights Hidden Hunger

Food remains one of the most important weapons of the United Nations' arsenal — not only to supply the starving, conquered nations but to help build stronger workers at home. Heading up the current nationwide campaign for better nutrition is Dr. L. B. Pett, director of Nutrition Services, Department of Pensions and National Health. Dr. Pett has plenty of evidence to show that many Canadians suffer from malnutrition despite the abundance of health-making foods available here. He sees the hidden hunger caused by not eating enough of the right foods prepared in the right way as much a saboteur as any fifth columnist.

Plant Transit Plans Mature

Estimate 10,000 Cars and 43,000 Workers Now Covered

Canada's industrial transit plan already covers an estimated 10,000 automobiles and 43,000 workers, according to officials.

Indications are that these figures will be multiplied in the next few weeks as the scheme hurries toward its double-barrelled objective—the saving of gasoline and tires, and the prevention of an added burden on already overtaxed public transit systems.

Under I.T.P., plants are organized for transit purposes and car-owning employees who provide daily transportation for fellow workers from their own districts obtain a special gasoline allowance, together with priorities for tire repairs and replacements.

The gasoline allowance is based on the mileage travelled from home to plant, and in each factory or other place of employment which is organized one member of the staff is designated to administer the plan. He reports to the Transit Officer of his district, who, in turn, reports to the Transit Controller for Canada.

I.T.P. swung into operation in the early winter and at Jan. 1, the last date for which there are detailed statistics, 933 plants had completed a survey, with the idea of participating, and 73 plants, with 83,000 employees, had I.T.P. actually working.

In the 73 plants, 27,000 workers depended on automobiles for transportation, and, before I.T.P., this involved the use of 11,300 cars. When the plan came into effect, they doubled up. Use of 6,400 cars was authorized by plant transit offices, under the regulations, and it was possible, without causing inconvenience, to eliminate 4,900 automobiles.

Since these had been in daily operation, and since the average worker covered lived several miles from his job, the collective saving in tires and gasoline was large.

At Jan. 1 the number of passengers per car averaged 4.3 and this is the basis for the estimate that 43,000 persons are now covered, the latest tally of car authorizations issued being 10,000. All the authorizations are okayed at Toronto, have to be checked by the Oil Controller.

The ordinary ration standing of the individual who gets a special gasoline allowance under I.T.P. is not changed.

Before the scheme came into effect, it was seen that the regular gas ration would not be sufficient to last workers who were travelling several miles to work daily—that unless something was done an added load would inevitably be placed on street cars and buses.

An early survey by Transit Control indicated that when I.T.P. was in full application it would probably see 47,000 cars authorized in Canadian plants employing more than 100 persons each, thus assuring automobile transportation for around 200,000 workers.

This estimate may be increased since the intention is to extend the plan gradually to smaller employers.

Over One Million Canadians Earn Less Than Steel Workers

By STAFF WRITER

OTTAWA.—Thrown into the cabinet discussion of steel wages this week was the striking statistical fact that over one million wage-earners in Canada are earning less than the $26 per week which steel workers would earn working a full 48-hour week at the new proposed minimum basic wage.

The material on Canada's wage earners from which this figure was taken has hitherto not been published.

The Financial Post learns, however, that a monthly breakdown is now being compiled of the wage-earnings of more than 2,000,000 men and women insured under the national unemployment insurance scheme.

Latest figures available cover September, 1942. In that month, out of approximately 2,100,000 insured workers, over 55% or about 1,150,000 earned less than $26 per week; 45% or about 945,000 earned between $26 and $38.50. The latter figure is the present "top" for workers eligible to insure under the scheme.

The distribution of earning power as between these 2,100,000 workers was approximately as follows:

200,000 or 9.4% earned less than $12 a week;

190,000 or 8.9% earned $12 but less than $15;

350,000 or 17.1% earned $15 but less than $20;

420,000 or 20.1% earned $20 but less than $26;

945,000 or 44.5% earned $26 but less than $38.50.

These groupings include many part time salesgirls and occasional workers whose hourly wages are nominally in line with minimum wage laws throughout Canada but who work only a few hours each week. Similarly the exhibits submitted to the Barlow report showed that in the case of Algoma Steel, there were 1,200 employees (25% of the payroll) who worked less than 26 days in a typical month.

At Dosco there were 1,158 or 22% who worked less than six days a week. Average weekly earnings reported by Dosco were $31.65 compared with a normal basic wage for a 48-hour week of $25.20 per week.

Excludes Seasonal Workers

The two million or more persons included in the tabulation include no agricultural or other seasonal workers who are excluded from the Unemployment Insurance Act. Most of this type of worker would undoubtedly be added to the number of those in Canada who earn less than a full week's pay under the new proposed basic minimum wage.

What the government may now be required to prove, in order to maintain the integrity of the wage-price ceiling, is that the new proposed "floor" for steel wages is not to be interpreted as a wage floor for the million or more wage-earners who now receive less than has been offered the men who work a full 48-hour week in Canada's basic steel operations.

D.A.C.A. Favors Ruml Tax Plan

Adoption of the Ruml tax plan in Canada at an early date is urged in a resolution adopted by the legislation committee of the Dominion Association of Chartered Accountants.

The increase in the rates of personal income tax have accentuated the flaws in our present tax collection methods, says the committee in its report. The committee sees the Ruml plan as a natural progression from the principal of collection at the source introduced in the last budget. It also sees the taxes collected by the crown increasing, even if the income level remains constant, as a result of the elimination of bad debt losses which must inevitably occur under the present system.

Oil Shortage Has Not Eased

Lower Submarine Risk Does Not Mean More Tankers Available

By STAFF WRITER

OTTAWA.—Slashing of the war risk insurance rate on the Atlantic coast, reported last week in The Financial Post, should not be interpreted as an indication that more crude oil and gasoline will be available to meet the acute shortage in eastern states and provinces.

Although the submarine risk has abated and Canadian taxpayers stand to gain something like $50 millions as a result, there is still an acute shipping shortage which is liable to continue for some time to come.

Every ton of available shipping space is needed for carrying on big campaigns and for moving reinforcements and supplies to armies which are now operating or will be in action during 1943. There will be no prospect of additional tonnage to move more crude oil to Atlantic seaports that is absolutely necessary.

See Continuing Absentee Drive Plant Need

Need for continuing drives to reduce absenteeism is pointed up by the experience of a large Toronto arms plant. During a special three month campaign this company reduced its absentees from around 15% to about 5%. Since conclusion of the campaign the trend has been reversed and percentage of absentees is climbing again. The problem during Christmas week was described as "awful" by plant officials. Excluding that week the record since conclusion of the drive is as follows:

Week ending:	Absentees
Dec. 12	7.13
Dec. 19	7.61
Dec. 24	9.18
Jan. 9	9.58

To Prepare New Census Of Workers

More Than 170,000 Employers Must File Statements; Quarterly Surveys Planned

By STAFF WRITER

OTTAWA. — More than 170,000 employers in Canada are being required to complete as at Jan. 30 a new industrial manpower census undertaken by the Department of Labor.

Similar census reports are to be required regularly from all employers each quarter. The first report is being mailed to all employers with the exception of farmers, household employers of domestic servants and government offices. It will require information on the number of employees as at Jan. 30 or the nearest pay date, with specific totals to show age, sex and marital status.

Aim of the new reports is to provide statistical information required for draft and civilian employment machinery as well as to allow officials to group all employers in precise industrial classifications for the purpose of determining labor priorities. Although the report forms will all be mailed from Ottawa the local employment and Selective Service offices of the Department of Labor will be responsible for their collection.

Employers are asked to state the expected number on the payroll as of April 30, 1943.

Consolidated Reports

Banks, financial institutions, insurance companies, utilities, contractors, retail chains, restaurant and service chains may file a consolidated report for all establishments within the area of a local employment and Selective Service office. But each manufacturing plant owned or operated by any of this type of business establishment must file a separate report. Each firm will be required to state its general "activity" or line of business as well as the specific activity in which it is presently engaged. That is, for establishments engaged in agriculture, fishing, forestry, mining and manufacturing the three principal classes of products in order of sales value must be named.

Authority for requiring completion of this form is contained under the National Selective Service regulations. Forms must be filled out in triplicate and two forms sent to the local employment or Selective Service office.

These reports are to be required regularly each quarter of every one of the 170,000 establishments included in its purview.

There are 11 different age groups and for each group the employer will be required to give the number of men and women employed and whether these persons are married or single. There are four annual age group categories for those born in the years 1923, 1924, 1925 and 1926 or later. Between 1922 and 1898 there are five separate categories each covering four-year spans.

Ottawa Undermining Price-Wage Ceilings?

Wage Concessions Offered in Face of Desperate Need for Steel May Jeopardize Entire Structure of Anti-inflation Controls

By KENNETH K. WILSON

OTTAWA. — Spurred apparently by the desperate need for steel, the government now stands perilously close to sacrificing its entire wage-price ceiling programme.

First, the new settlement proposals grant permission to revamp the steel wage structure on a national instead of a regional basis.

The immediate and long term implications of this are very important. It is taken here to mean the open door to a united steel labor front and the inevitable linking of 5,000 to 6,000 Steel Co. of Canada workers now outside the C.I.O. fold.

The same day the proposals were announced Ottawa received a demand from steel company organizers for recognition of the union. There seems little doubt that Steel Co. workers will now seek and ultimately receive the same minimum basic wage that has been offered to workers in the Sault, Sydney and Trenton plants, if the proposals are accepted by the men now on strike.

Just how far wage concessions offered by the government undermine the wage ceiling of November, 1941, is not yet clear.

25% of Workers Involved

On the basis of submissions made to the Barlow Report and filed in individual exhibits, the minimum number of workers in the Sault and Sydney plants which will be affected by the new proposed "floor" for steel wages will be approximately 2,500 or 25% of the combined working forces.

Several thousand workers at Trenton and (eventually) at Steel Co. of Canada would also be affected.

But the government has deliberately sidestepped the issue as to whether or not the increase in this minimum wage is to be carried through to higher paid workers.

It will be recalled that union spokesmen demanded wage increases which at Algoma ranged from 9½ cents an hour for employees getting 75 cents an hour or less, to 4 cents for employees receiving over $1.45. The increases sought at Dosco varied from 11½ cents for those getting 50 cents or less to 8 cents for those getting more than 80 cents.

What has yet to be determined (apparently by a reference to the National War Labor Board) is whether this new "floor" which Ottawa has proposed is in fact an "escalator" whereby every steel worker, whether he is below the minimum basic rate or not, will get an increase.

Has Evaded the Issue

Clearly the government has evaded this issue. It has not attempted to define the extent or the implications of its new proposed wage floor.

If, therefore, the National War Labor Board decides that such differentials must be paid on the new scale of increases proposed by Ottawa, the entire steel industry, and not merely the "under fourth," will have broken through the wage ceiling.

In that event the possibility of holding the ceiling in hundreds of other industries and areas looks at the moment to be very dark. And collapse of the wage ceiling would almost certainly be accompanied by a shattering of the price ceiling unless some astute subsidy device can be introduced as in other situations which threatened to disrupt the anti-inflation programme.

Curiously the government has as yet made no attempt to state its "case" in respect of the steel dispute or to justify or explain the reasons why (1) it broke all precedent in conferring with representatives of men who were engaged in a purely illegal strike and (2) why it ran in the very face of the wage ceiling without any attempt at justification of a higher basic wage.

Cost to Algoma of the new proposed basic wage, if it were spread throughout the plant, would apparently be about $540,000 according to tabulations submitted to the royal commission. The company indicated that every rise of one cent in its basic wage rate would cost on the basis of one million working hours per month or about $120,000.

What Proposal Is

In the case of Algoma, the new proposed minimum basic rate is 50 cents per hour (exclusive of the present cost-of-living wage bonus of 5 cents per hour). This is an increase of 4.5 cents over the present basic minimum of 45.5 cents. As already indicated, the increase sought by the union was a graded amount starting with 9.5 cents for all employees receiving 75 cents or less.

At Dosco the proposed settlement would increase basic minimum rates by 2.5 cents from the present level of 43.5 cents to 46 cents. These figures are without cost-of-living bonus. In this case the union sought a differential scale of pay starting

(Continued on page 2, col. 7)

Aluminum Co. To Offer Stock

From Our Own Correspondent

MONTREAL. — Heading up a nation-wide syndicate, A. E. Ames and Co. is expected to make a public offering shortly of a large block of 5% preferred stock of Aluminum Co. of Canada, the principal operating subsidiary of Aluminium Ltd. Heretofore all the stock of the operating unit has been held by the parent company.

Aluminum Co. of Canada is now an integrated operation covering all phases from the mining of the ore to the smelting of ingots. It operates smelters at Arvida, Shawinigan Falls; fabricating plants at Toronto and Kingston; controls Aluminum Power Co. and has a majority interest in Saguenay Power Co., as well as many other interests.

Will New U.S. Controls Work?

Answer is Major Factor in Canadian Policies

By ROBERT T. ELSON

WASHINGTON.—There may be storm clouds just over the horizon for Canadians as well as their U. S. neighbors. Some may prove to have a silver lining, or some may be dispelled altogether, but closely interlocking Canadian-American relations mean that American policies in regard to war controls, rationing and price ceilings need to be scrutinized closely by Canadians in the next three months.

Canadian policies of tomorow are being shaped here now by the success or failure of certain ambitious programmes.

In war production the new Controlled Materials Plan and the scheduling authority newly assumed by the War Production Board over the flow of component parts are going to be subject to a critical test by the end of April.

Assured Priority

Canada has been assured equality priority under C.M.P. and undoubtedly will be given equal consideration in scheduling. The question remains: Will these new American controls work?

Criticism of both arrangements is extremely technical and not easy to summarize. In C.M.P. there are some misgivings because of the increasingly complex structure. Only the actual operation of the plan can determine whether it will work.

The problem of scheduling war production is essentially one of resolving the conflicting claims of the various agencies and so-called czars, all of whom wish priority for their particular programme. Thus programmes for escort ships, high octane gasoline and synthetic rubber all appear to be in conflict because each programme requires similar components, the supply of which can be rapidly expanded.

War Production Board Chairman Donald Nelson says that the vital war schedules can be met and that the emergencies arising out of the conflicting claims can be resolved. Canadians should understand, however, that this process of scheduling may mean that some orders may have to wait while others are filled first.

Food Policies

In food production and rationing there are a number of difficulties to be surmounted.

Canada and the United States were committted to a policy which means "equality of sacrifice." But this is not so easy to enforce because conditions are not always the same on both sides of the border.

For instance, Canada had to take steps to ration butter after authorities on both sides of the border had previously agreed that it was not necessary. Canada has declared against use of oleomargarine but it is an acceptable butter substitute in the United States and the necessary fats and oils might be made available for Canadian production also if it were not for the prejudice of certain Canadian groups.

Canada has not yet announced a programme for rationing of canned goods. But the United States is in the process of preparing to ration canned foods on a point system. Does Canada have to follow suit? Another point is, what will be the effect of increasing U. S. criticism of rationing and price control, heard on the radio and printed in every American newspaper, on the Canadian public.

Not the least of Canada's worries is the success of the price control here. The departure of Leon Henderson and the accession of Ex-Senator Prentiss Brown has been variously interpreted — both as meaning there will be a loosening of controls or a tightening of regulations. In point of fact price control here has been a strategic retreat before the inflationary forces, remarkably successful when contrasted with the tremendous pressures on the American ceilings. But in the coming year if the American farm bloc lifts the lid, Canada's own control policies must be buttressed by increased subsidies.

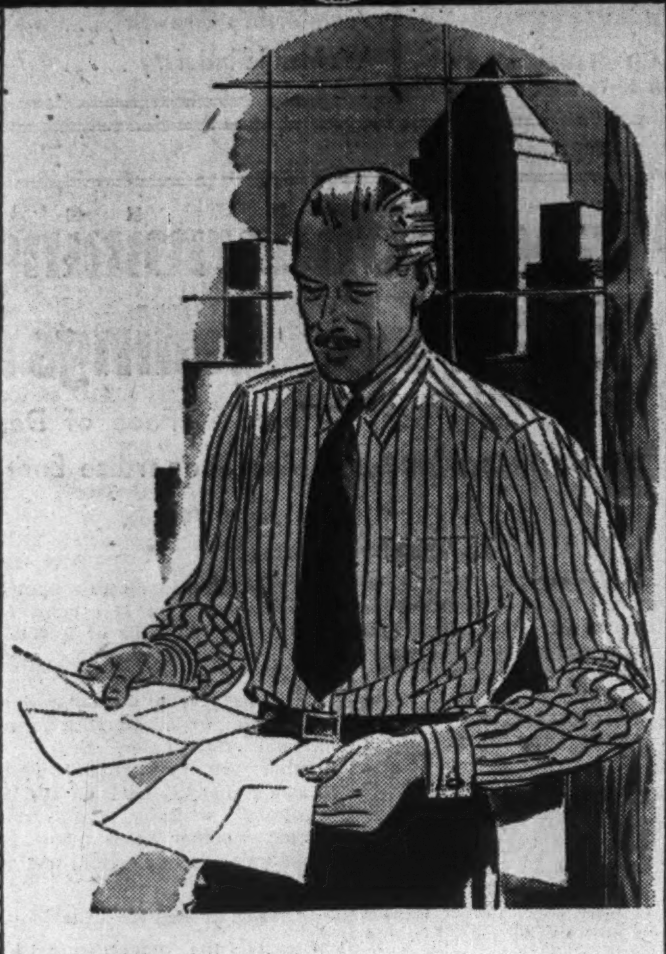
Manpower Issue

Finally there is the manpower issue. Until the United States really comes to grip with the problem, Selective Service in Canada seems likely to remain its present shadowy self.

Labor Minister Humphrey Mitchell has a date with War Manpower officials whenever he can resolve the steel crisis, but he is not likely to find that the War Manpower Commission here is yet ready for drastic action so often prescribed as a remedy for some of the problems confronting both countries.

MEN'S SHOP

FINE APPAREL FOR MEN



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Each $5.00

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Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Stand. Limes	6%	1944	Feb. 1	102
Atlantic Sugar*	4½%	1951	Mar. 1	102
T. Eaton Realty	4½%	1951	Jan. 29	100
Ritchie Cut Stone	6½%	1948	Mar. 1	102
Nat. Light Pr.	2⅝%	1949	Apr. 1	102

‡$21,500. *$22,000. ‡$260,000.
§Series A & B.

Stock Issues:
Para. Pictures .. *6% 1st pref. Apr. 1 par†

*Drawn by lot, $8,067,583. †Plus accrued dividend. Conversion feature on stock to be redeemed expires March 18.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.33	2.55
Can. Int. Trust	4.25	4.75
Can. Invest. Fund	3.40	3.75
Can. Investors	4.75	
Corp. Investors	5.55	5.95
Trans-Canada	10.15	10.55

Bond Tenders

Jan. 21—Greater Winnipeg Water District—$1,425,000, 3½%, due Feb. 1, 1953.

Want Food Ministry Established

Deputation Says Separate Ministry Needed to Handle Distribution, Supply

By STAFF WRITER

OTTAWA.—Because the shuffle in Canada's food administration under price ceiling is now before the cabinet, this week's deputation of food and agricultural representatives, to urge a new Ministry of Food for Canada, was of more than usual interest.

Prime Minister King had hustled away to greet Mrs. Roosevelt, but the deputation was received by Hon. T. A. Crerar.

The food and agricultural spokesmen expressed concern at mismanagement of food product administration under the price ceiling. They emphasized the huge load that was being placed on the food industry to meet prospects in 1943, and said control and subsidy policies which have too little and too late accelerated rather than averted shortages.

Food Minister Urged

They urged concentration of the entire food programme in the hands of a single minister of food, in order that a co-ordinated plan might be attained. Another suggestion was for a three-man food board under the Minister, through which all existing agencies for the production, processing, distribution and rationing of food should be co-ordinated.

The brief avoided any suggestion that control over consumer prices be transferred from the W.P.T.B. but urged the authority of the board be limited to determining maximum consumer prices.

Authority to determine what bonus or subsidy should be paid, and decisions concerning adequate production, processing and distribution, should be given the food ministry, it was argued.

Many Represented

Organizations represented in the delegation included Canadian Federation of Agriculture, various provincial agricultural federations, Canadian Retail Federation, Retail Merchants Association, Canadian Council of Distribution, Food Broker's Association, Canned Foods Association, National Beef Advisory Committee, cocoa, chocolate and confectionery industries, Canadian wholesaler groceries, Canadian fruit wholesalers, Ontario Jam Association, Ontario Retail Grocers Association, Canada Horticultural Association, Sugar Beet Growers of Alberta and Manitoba.

Annual Meetings

1943	Company	Place
Jan. 23	Duquesne Mining Co.	Toronto
Jan. 25	North Amer. Life	Toronto
Jan. 25	Can. Car & Foundry	Montreal
Jan. 26	Confederation Life	Toronto
Jan. 26	Canada Vinegars	Toronto
Jan. 27	Continental Life	Toronto
Jan. 28	Excelsior Life	Toronto
Jan. 29	Can. Perm. Mort.	Toronto
Jan. 30	Biltmore Hats	Guelph
Feb. 1	Equitable Life	Waterloo
Feb. 3	Bank of Nova Scotia	Halifax
Feb. 3	Casualty of Can.	Toronto
Feb. 3	Dom. Can. Gen. Ins.	Toronto
Feb. 4	Mutual Life	Waterloo
Feb. 5	Consol. Fire & Cas.	Toronto
Feb. 8	Federal Fire Ins.	Toronto
Feb. 8	Wellington Fire	Toronto
Feb. 9	Guar. of N. Amer.	Montreal
Feb. 9	Canada Bud Brew.	Toronto
Feb. 25	Bell Telephone	Montreal

War and Business . . . .

Holstein Enthusiasts

Weeks ago Canadian Holstein breeders invited farmer John Bracken to speak at their annual banquet in Toronto next month. Mr. Bracken, among many other qualifications, is an outstanding agricultural authority and his choice was a natural one. But since the invitation was issued and accepted Mr. Bracken has become a rather famous Canadian citizen and so the Holstein Freisian Association has been besieged by many people, not particularly interested in cows, for tickets to the banquet. It is expected that the Royal York banquet hall, where the function is to take place, will be taxed to capacity.

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New Food Czar?

Worried by the growing seriousness of the food situation WPTB authorities are understood to be considering changing the type of personnel chosen to handle food control. Up to the present this work has largely been entrusted to two types of experts, the first representing the primary food producers and the second representing food distributors. Now the feeling is that some good business man with interests in neither camp, might be able to handle the ticklish situation better. His decisions might be ruthless but at that might be received with more sympathy by a third party vitally interested in the matter and one very largely unrepresented to-date, namely the consumer.

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Tribute to Canada

In developing its war effort, the United States has learned much from Canadian experience. That it is still watching us is indicated by a report that shortly Washington may follow Canada's lead in paying commissions to salesmen on future Victory Bond sales. It is also possible that United States may adopt the Canadian system of regular campaigns for the Victory Bonds terminating in a three weeks intensive sales drive instead of the present plan where a continuous 365 day a year sale is featured without special drives.

* * *

To Berlin

In the last few months the United Nations have been making most substantial progress in advances against the Axis powers, but a glance at the map will show that they still have some distance to go before they reach Berlin.

General Montgomery's forces coming up toward Tripoli are still about 1,350 miles from the Nazi capital and the most advanced forces in Tunisia are about 1,200. The Russian forces advancing toward Rostov on the Don are almost a similar distance away, but those on the Central Front are now only about 750 miles from Berlin.

From the standpoint of distance only our forces in the British Isles are still in much the best position, being only 600 miles from the German capital.

Turning towards the Pacific we run into still vaster distances, with the New Guinea fighting taking place fully 3,200 miles from Tokyo and that aimed at Kiska Island of Alaska, 2,150 miles.

* * *

U. S.-Canadian Air Services

With treaty arrangements between Canada and the United States up for renewal shortly, it is expected representations will be made to Ottawa by the air transport interests for more equitable treatment. Under existing arrangements nine of the ten licenses issued for air services between the two countries have been allotted to American operators.

Canadian companies have no immediate plans for expansion in the international field, but the feeling has been growing within the industry that the rights of the Canadian companies should be recognized as being on an equal footing with those in the United States in the granting of licenses on international routes.

Newsprint Price Rise Under Study

(Continued from page 1)

the basic price is anticipated in this quarter. Whether or not it will be made effective for the second quarter remains to be seen, but indications point that way.

The rate of increase is still a matter of speculation. Costs are known to have advanced several dollars a ton since the start of the war. In addition transportation costs have moved considerably higher over the past year owing to the severe limitation of water-borne shipments to American ports.

1938 Last Change

There has been no change in the basic price of newsprint in the American or Canadian markets since the beginning of 1938, when a figure of $50 a ton was set, with a differential applying to deliveries outside of the designated ports.

There has been considerable talk as to the possible extent of the increase in price. Guesses have ranged all the way from a minimum of $3 to a maximum of $10 a ton.

It is assumed that the O.P.A. will approve a price increase of at least $3 a ton. It is unlikely the rate will be advanced as much as $10 a ton, though the increase in costs is closer to the latter than the former figure.

Costs Up

Any change in the price of newsprint paper in the near future naturally is of wide interest to publishers both in the United States and Canada. While they have been protected by a stabilized price for over four years, their costs have risen sharply since the outbreak of war. Their problems have been further complicated by the rationing of paper.

Under the order issued Jan. 1, consumption of newsprint paper has been curtailed 10%. By the system set up the publishers are given a proportionate share of the available paper and the manner in which they effect the 10% savings is of their own election.

More Restrictions?

The belief exists, backed largely by official warnings, that the reduction in paper consumption will not stop at 10%. Further restrictions are expected as the year progresses and by the end of 1943 paper consumption may be from 25% to 30% under the 1942 level.

The availability of newsprint paper in the months ahead depends upon many factors, not the least of which is manpower and tied in with it the supply of pulpwood.

This winter's cut of pulpwood in Canada, which supplies over 70% of the U. S. newsprint market, is expected to average at least 25% under that of a year ago.

The situation is not as bad as appears on the surface, for last spring a large quantity of pulpwood was tied up in the woods as the drive failed to catch the floods. Accordingly a considerable amount of the 1941-42 cut has still to come down to the mills. Just how much this amounts to will not be known for another three or four months.

It is possible, that the supply of pulpwood will be larger than anticipated when the preliminary estimates were made based on new cutting. If that turns out to be the case and power and transport are available, then the supply of newsprint paper for 1943 may not warrant any further cuts in consumption.

NAMED DIRECTOR

J. S. D. Tory, K.C., who has been named a director of A. C. Wickman (Canada) Ltd. Gold Medallist at Osgoode Hall in 1927, he received his doctor's degree at Harvard in law and business administration. A. C. Wickman Ltd., one of the largest tool manufacturers in England, opened a Canadian plant near Toronto a year and a half ago.

Pulp & Paper Men To Hold Meeting

From Our Own Correspondent

MONTREAL.—Conservation and elimination of waste will be the theme of the 30th annual three-day meeting of the Canadian Pulp and Paper Association which opens in Montreal, Jan. 27.

A feature of the meeting will be an exhibit of the "bits and pieces" being produced in the machine shops of the industry under the auspices of the association's Wartime Machine Shop Board.

As in the past separate sections will be conducted by the Technical Section under the chairmanship of E. D. Hyndman and by the Woodlands Section under the chairmanship of W. G. Wright.

Two Technical Sections

Sessions of both sections will be devoted largely to various phases of modern pulp and paper manufacture. At the technical section there will be a session devoted to "conservations and substitution of critical materials," in addition to papers on production problems.

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No Power Deal Says Bracken

Denies Report of Negotiations for Sale of Winnipeg Electric

Reports in Montreal last week that "negotiations" were taking place designed to bring about sale of the power properties of Winnipeg Electric Co. to the Manitoba Government were flatly denied by Hon. John Bracken in a statement to The Financial Post a few hours prior to his departure from office as Premier of Manitoba. He added that no negotiations are being contemplated.

Mr. Bracken pointed out that a Rural Electrification Commission has studied the question of distribution of power to rural areas. That commission was asked to look into possible savings if the two power companies in Winnipeg were brought under one management.

While the commission reported that savings would result from consolidation of power producers, it said it "was not empowered to conduct negotiations in an effort to bring the said utilities together in order to work out a plan of reorganization and is of the opinion that in any event the present time is not opportune for the conclusion of such negotiations."

The Financial Post last week reported informants to the effect that the resignation of Mr. Bracken as premier had "set back negotiations."

The Post was incorrectly quoted over certain radio stations as stating that the negotiations were proceeding "secretly."

To Start Series On Postwar

U. of T. Beginning Ten Evening Series on Postwar Business

The University of Toronto on Jan. 26 is starting a series of 10 evening lectures on marketing and business trends, looking into the postwar era. The series will be conducted by experts in their fields and is designed for marketing executives, businessmen and students, discussing changes that have occurred during the war, visualizing trends and the problems of tomorrow, and indicating the possible contribution of business and industry to postwar public welfare.

It has been arranged by the university's Department of Political Economy and the Department of University Extension in co-operation with the Advertising and Sales Club and business institutions of Toronto. Hall Linton will be chairman of the lectures.

List of Speakers

Speakers and their subjects in the order of their weekly appearance are:

"What the Public Expects of the Business Man," **James W. Young**, senior consultant, J. Walter Thompson Co.

"Business and Government Co-operation in Regulation," **Robert F. Chisholm**, director, Industrial Division, Wartime Prices and Trade Board.

"Postwar Planning in Industry," **C. Scott Fletcher**, general sales manager, Studebaker Corp.

"Canada's Expanded Resources as a Market," **Ronald A. McEachern**, editor, The Financal Post.

"Possibilities of the Postwar Economy," **Edmund Whittaker**, professor of Business Adminstration and Economics, University of Western Ontario.

"Responsibilities of Advertising in the Future," **Bertram W. Keightley**, advertising manager, Canadian Industries Ltd.

"Improvement of Marketing Methods," **Milton L. Stokes**, Professor of Marketing, University of Toronto.

"Sales Management of Tomorrow," **Kinsey N. Merritt**, general sales manager, Railway Express Agency, N.Y.

"The Importance of Media in the Future," **Harold A. Innis**, head of the Department of Political Economy of University of Toronto.

"The Vocation of the Business Man," **James M. Macdonnell**, president, National Trust Co.

Ottawa Undermining Price-Wage Ceilings?

(Continued from page 1)

with 11.5 cents for all workers receiving 50 cents or less (exclusive of cost-of-living bonus).

The cost-of-living bonus in Algoma is approximately 5 cents per hour and at Dosco 9 cents. In each case the new proposed rates plus bonus would equal 55 cents an hour as the basic minimum wage.

One important political implication of the strike is the extent to which the C.C.F. party is tied to the matter. At every turn the strikers have been advised or counselled by men who are closely associated with the C.C.F. Jolliffe, Millard, Forsey and King Gordon are all tied closely to the strike and to the party. What farm and other C.C.F. elements in C.C.F. support will do and say when the implications of the strike blossom fully is a matter which may have far-reaching implications on Parliament Hill.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to—	Rate	Due	Amount	Price	Yield
Halifax, N.S.	Jan.	Gairdner & Co. and Syndicate	2¼, 3 & 3½%	1944-63	$825,000	99.917	3.38%
Kingston, Ont.	Jan.	Wood, Gundy & Co.	3%	1944-53	24,000	102.07	
Dominion—							
Canada Treasury Bills	Jan.			Apr. 16, '43	45,000,000	99.872	.514%
Provincial—							
Quebec	Jan.	Bank of Montreal, Royal Bank and Syndicate	3½%	1960	18,000,000	*99.50	3.53%
Quebec	Jan.	Privately	3½%	3-yr.	20,000,000		

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
National Light & Power	Jan.	McLeod, Young, Weir & Co., Wood, Gundy & Co., W. R. Pitfield & Co.	4½%	1961	$2,000,000	*99.50	4.54%

*Offering price.

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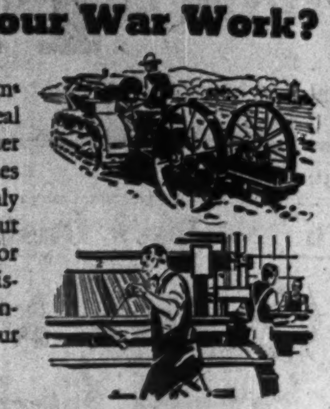

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THE PROVINCIAL BANK OF CANADA

42nd ANNUAL MEETING HELD IN MONTREAL THURSDAY, JANUARY 14th, 1943

Mr. Chs. A. Roy, President, reviews business trends

Analysis of annual statement and comments by the General Manager, Mr. J. U. Boyer

PRESIDENT'S ADDRESS

The 42nd annual meeting of the Shareholders of The Provincial Bank of Canada was held at the Head Office in Montreal on Thursday, January 14th, 1943.

The President, Mr. Chs. A. Roy, was in the Chair.

The Report of the Board of Directors was read and the financial statement for the year ending November 30th was placed before the meeting.

The General Manager, Mr. J. U. Boyer, made the following comments on the Financial Statement:

"The statement presented to you today shows substantial changes as compared with the statement of the previous year. The intensified industrial and commercial activity resulting from the demands of war, high agricultural production and increased earnings of the working class have added to the volume of banking business.

"Total assets have reached $72,825,923, an increase of nearly 20% over last year. Cash items, including deposits and notes of the Bank of Canada, amount to $10,429,402. Investment security holdings stand at $40,038,530. Federal and Provincial Government securities maturing within two years aggregate $16,890,883 and represent an increase of $10,102,779 over 1941. Other Dominion and Provincial Government securities of longer maturity total $11,872,592, or $4,381,072 in excess of the amount held last year. Canadian municipal and other bonds, debentures and shares at $11,275,054, show a decrease of $916,426.

"Loans on call against bonds, debentures and shares at $2,975,703 remain approximately the same as last year.

"Cash items and other readily realizable assets amount to $53,550,608, which is equivalent to 79% of the total liabilities to the public.

"During the year, the Federal Government resorted to a new method of financing, that is by way of issue of short term certificates of deposit bearing interest at the rate of ¾ of 1% per annum. These were taken up by the banks. Since the issue of the Third Victory Loan, a part of these certificates were redeemed by the Government, and the amount now outstanding is $500,000,000.

"The greater industrial and commercial activity has not contributed to an expansion of current loans, although the Bank has in many cases provided those of its customers engaged on war work with financial assistance. Other borrowers, however, whose liquid position showed an improvement during the year, were able to reduce or fully pay off their loans. As a result, total loans of $16,139,340, which include borrowings of Municipalities and School Commissions, show little variation with the corresponding figures of the year 1941.

"Deposits increased substantially during the year, rising from $53,178,088 in 1941 to $65,420,580 in 1942.

"Profits for the year, after making appropriations to contingent account, amount to $467,794 as against $440,643 in 1941. Out of these profits, provision has been made for Dominion Government taxes in the sum of $186,781, leaving a balance of $281,012. From this amount, $50,000 has been used as a write-off against real estate and $230,000 was paid to the shareholders in dividends.

"As the demand for war supplies continues to grow, the necessity of transforming the nation's business to a full wartime basis keeps pace. One of the most important changes was the transfer of labour from less essential industries to the armed forces and to war industry.

"The changes in staff resulting from enlistment in the armed forces and other activities connected with the war have reduced considerably the trained personnel of the banks. To overcome this situation the banks have been compelled to engage inexperienced female help. It is estimated that 54% of total bank employees now consists of female help.

"Much additional work has been imposed on the banks by the various wartime regulations, the receiving of subscriptions to Victory Loans and the delivery of bonds to the purchasers, the sale of War Savings Certificates and the encashment of Government coupons and cheques, the number of which is becoming greater from day to day. Notwithstanding the long hours of work involved, these duties have been cheerfully borne by the staff.

"In conformity with an understanding come to between the banks, to reduce, as far as possible, the number of branches, we have closed 8 offices.

"In closing it is with pleasure that I express my thanks to the members of the Board of Directors for their continued kind co-operation, and to the officers and employees of the Bank, my appreciation of their willing efforts in the performance of their duties during a very trying year."

Before moving the adoption of the Annual Report the President, Mr. Chs. A. Roy, addressed the Shareholders, in part, as follows:

"The General Manager has given you a comprehensive explanation of the statements before you, and I hope that you will consider the position of the Bank and the results of the year as satisfactory. Your Board of Directors and myself are satisfied.

"The growth in the total figures on each side of the balance sheet is the outstanding feature. The deposits have gone up $12,200,000 with a corresponding increase in the assets. It is particularly gratifying to note that in spite of substantial subscriptions to Victory Loans, there has been an increase in savings deposits during the year.

"Having regard to the additional Excess Profits Tax, as provided for in the 1942 Amendment to that Act, it was felt advisable to reduce the rate of dividend. Income and Excess Profits Taxes are now such that most corporations do not have available for dividends more than 70% of their average taxable profit for the years 1936 to 1939.

"As was expected, the year 1942 brought with it an intensified war effort and many changes in the economic conditions in our Country. High wages and steady employment on war contracts having considerably augmented the incomes of the working classes, an atmosphere of prosperity was created which, if not sound, has nevertheless benefited many classes of business.

"Retail trade held well above last year's level, although onerous taxation has reduced the purchasing power of the middle class and wealthy taxpayers, who have been hard hit; increased consumers' demand, however, on the part of the wage earners, whose needs were great, account much for the activity.

"Fortunately, most provinces have enjoyed bountiful crops. Because of the sharply rising domestic and export demand for these products at a higher scale of prices than in 1941, the average farmer's income has far exceeded that of recent years.

"In the financial field, Dominion financing occupied the first place in the 1942 bond market. The cheap money policy inaugurated a few years back, as a means of financing the war, was maintained. Prices for high grade bonds held steady and short-term securities remained at a yield lower than the rate paid by banks to their depositors.

"Wartime measures are, however, dominating economic conditions, and the present course is now principally devoted to the purpose of increasing production of the implements of war and the training of manpower. Production in shipbuilding and aircraft was particularly outstanding.

"The ever increasing demand for war material and civilian goods has created problems of raw materials and labour. In an endeavour to solve these problems, the Government has applied regulations enforcing a strict control of nearly all raw materials as well as a curtailment of production for civilian requirements. A corrective labour agency in the form of the National Selective Service Bureau has also been created.

"The material required to keep production at a peak in war plants has caused rationing of material for other industries. Because of rationing, the manufacture of certain classes of goods had to be reduced, thereby adding to the climb of operating costs.

"Plant replacements and even repairs, except for those industries engaged on war contracts, have not always been possible, and there has been a consequent slackening off in efficiency. Inexperienced and untrained help has slowed production and increased costs sharply in nearly all industries. High wages and salaries paid by war industries make it difficult for other industries and business to carry on, as the selling prices of their goods or services have been frozen at the 1941 level.

"The control of prices by the Wartime Prices and Trade Board entails numerous regulations complicated in character, difficult to interpret and even more perplexing to apply fairly.

"Price control measures once entered upon cannot be lightly considered. The policy of subsidies resorted to by the Government for the purpose of exercising control of certain consumer goods, is adding rapidly to the public debt and may, to an extent, defeat the purpose for which the Wartime Prices and Trade Board was organized.

"A huge public debt has always painful consequences on each citizen of the nation. The greater the debt, the greater will be the degree of Government control over the rights and liberties of the people. That trend has been evident since the 1914-1918 War. War is destructive, not only to life, and property, but also to the economic system of the country. A realization of that fact on the part of all would go far toward mitigating its eventual effects.

"While our course is to direct all our resources to the task of winning the war within the least possible delay, it should be done with the minimum of dislocation to our economic system.

"Those of us who remain at home should attend to our duties with the utmost devotion, and discipline ourselves to do with less so that the armed forces may have more.

"Today, the subject of thrift is more important than ever before. It should be practised by the individual as well as by governments. Heretofore, thrift, on the part of the individual, has been a matter of choice; now, it is a public duty.

"The large number of subscribers to the Victory Loans and the many purchasers of War Savings Certificates is gratifying, and indicates that the problems created by the war are now better understood and that the habit of thrift has become more general."

Following the addresses by the President and General Manager, the 42nd annual report of the Board of Commissioner-Censors was presented by its President, Hon. E. L. Patenaude, P.C., K.C.

After the adoption of the reports of the Board of Directors and of the Board of Commissioner-Censors, the following Directors were elected:

Mr. L. J. Codère, Sherbrooke, Que., Hon. Senator Louis Côté, K.C., Ottawa, Ont., Mr. C. G. deTonnancour, Montreal, Que., Hon. R. O. Grothé, M.L.C., Montreal, Que., Messrs. Alfred Lambert, Montreal, Que., Alfred Marois, Quebec, Que., Jean Rolland, Montreal, Que., Chs. A. Roy, Montreal, Que., George A. Savoy, St. Johns, Que.

The following were elected members of the Board of Commissioner-Censors: Messrs. C. L. Carsley, Montreal, Que., Narcisse Ducharme, Montreal, Que., Hon. Senator Antoine J. Léger, K.C., Moncton, N.B., Mr. Victor Morin, N.P., Montreal, Que., Hon. E. L. Patenaude, P.C., K.C., Montreal, Que., Mr. L. E. Langis Galipeault, LL.L., B.Sc., Quebec, Que.

At a special meeting of the Board of Directors held immediately after the General Meeting of Shareholders, Mr. Chs. A. Roy was re-elected President and Messrs. Jean Rolland and Geo. A. Savoy were elected Vice-Presidents.

At a meeting of the Board of Commissioner-Censors held simultaneously Hon. E. L. Patenaude, P.C., K.C., was re-elected President and Mr. Cecil L. Carsley, Vice-President.

In Your Opinion—

How Can We Make Bond Sales "Stick"?

The Question:—"What specific means would help reduce unnecessary selling of Victory Bonds and War Savings Certificates?"

J. W. Berry

General manager, Guaranty Trust Co. of Canada, Toronto.

Nothing should be done to undermine the confidence of the Canadian public in Victory bonds and war savings certificates as investments of the highest calibre. Therefore I believe the only specific means to reduce unnecessary selling is the adoption of a carefully planned educational programme to be deftly executed through the media of advertising. The emphasis should be on the patriotic duty to retain as well as to purchase.

Sale or redemption involves a surrender on the home front which would be a calamitous prelude to the trial facing our armed forces. Furthermore unnecessary spending should in the public's selfish interest be abolished now so that savings will be available in the postwar period to purchase superior commodities which will be the result of revolutionary material, design and production methods.

* * *

John Blue

Former secretary, Edmonton Chamber of Commerce.

It is assumed a holder of Victory bonds will not sell unless compelled by financial necessity, and he must be allowed to be the judge of that, otherwise very few will buy bonds when offered.

A campaign of education showing that the nation's necessity is greater than the individual's might benefit. Many people are disturbed over the heavy income taxes and cash in bonds to pay for them.

* * *

J. T. Bryden

Assistant treasurer, North American Life Assurance Co., Toronto.

It would be a breach of faith to interfere in any way with terms or conditions of outstanding bonds and certificates. The argument of liquidity has been extensively used in the various campaigns.

The objection to resale is two-fold. First, the escape into consumption channels of at least part of the original savings represented by the value of resales, thus defeating the anti-inflationary intent.

Second, the ineffectiveness of part of the expenditure and effort entailed in the original selling campaign.

Specific means to reduce unnecessary resales might include:

(a) Continuation of educational campaigns designed to promote retention;

(b) Further increase in taxation on items in the luxury or semi-luxury class;

(c) Extension of rationing on some sort of point system to reduce the avenues of expenditure.

In succeeding issues less high-pressure selling methods might result in greater percentage retention of commitments; also liquidity of war savings certificates might be reduced by requiring a 90-day notice to redeem unless accompanied by a declaration of necessity, and in Victory bonds the issuance of $50 and $100 bearer bonds might be discontinued and war savings certificates or something of similar character substituted for these subscriptions.

* * *

F. J. Brennan

President, F. J. Brennan & Co., investment dealers, Saint John, N.B.

Continued publicity and expression through the press, radio and meetings of all organizations, stressing the importance of full support to the war effort through investing every available dollar in Victory loan bonds and war savings certificates. Citizens should be constantly urged to hold these securities as a backlog for future purchasing power and as a safeguard to unforeseen requirements in the postwar period. The National War Finance Committee has made an outstanding success in the distribution of certificates and bonds and deserves the confidence and support of every citizen.

* * *

Louis Blake Duff

Well-known writer and publicist, Welland, Ont.

The only way to effectively stop unnecessary selling of Victory bonds is to freeze them, but that would have the unfortunate effect of freezing the next Victory issue before its birth. The other course is education by the press. Some people borrow money and hold bonds which, of course, is no aid to the bond situation. It reduces to a question of freezing our needs and our expenditures and the programme should be built on that.

* * *

Walter H. Golding

Prominent Saint John, N.B., businessman.

To sell Victory bonds and certificates now, unless in case of life or death, in my opinion is akin to repudiating one's religion, profaning marriage vows or flaunting fraternal pledges. It makes the selfish seller a quitter and a phoney among those who know it. Why not campaign this idea in pulpits, banks, theatres and billboards, emphasizing sacrifices of nations agonizing in actual strife. To market securities now in their infancy for selfish reasons is nothing short of betrayal, in my opinion, whether the purchase be great or small. We are not out of the woods yet. Remain British.

* * *

Bernard Lockwood

General manager, Maritime Life Assurance Co., Halifax.

I am not aware of the extent of unnecessary selling. Presumably the option of redemption is necessary to encourage sales while unnecessary delay dealing with requests for redemption of war savings certificates is to be avoided to discourage such redemptions. A letter to the holder from the Department of Finance before the cheque is issued, pointing out the situation would be a deterrent. With Victory bonds the intervention of an investment house enters the sale or switch, and specific instructions should be passed out to them all. Press and radio announcements and other comments where the slogan is "buy Victory bonds and war savings certificates" should have in addition comment regarding selling the present holdings.

* * *

R. P. MacLean

Editor, Courier, Kelowna, B.C.

The only solution for unnecessary selling is education. We have intensive hurrah-boys campaigns and then long periods with no publicity. Ottawa should tell people why they should keep bonds and keep on telling them why they were bought. In other words they must be kept sold twelve months of the year and not just for two months during campaigns.

I also feel that much of the selling is the result of high-pressure salesmanship during the canvass, particularly in campaigns conducted within plants and business where many bonds are bought through self-pride although payments cannot be afforded.

* * *

W. S. Marsh

Editor, Herald, Dauphin, Manitoba

Without criticizing compulsory savings as a wartime need this feature of the income tax has helped to kill war savings. You cannot compel a man and ask a man to do the same thing at the same time. The remedy is either a higher percentage of compulsion or make Victory bonds and certificates non-negotiable for the duration. Bonds might be made available for payment of mortgages, insurance or commercial debt, with the payee willing to accept non-negotiable conditions. Most financial and commercial companies would agree to this.

* * *

F. F. Payne

Editor, News, Nelson, B.C.

Any means adopted to reduce unnecessary selling of Victory bonds or savings certificates must be based on the cardinal principle of persuasion rather than force, or we will develop evils far worse than those with which we have now to deal. Even the suggestion of turning government securities into frozen assets would have the gravest repercussions in loss of public confidence in Canada's financial structure, and consequently upon war morale of the general public. Carefully written advertising campaigns emphasizing how the public benefits by retaining war securities would do this war job as it has done so many others.

* * *

Oscar Dubé

Oscar Dubé & Cie Inc., investment dealers, Quebec City.

Coercive steps must obviously be avoided.

I would suggest a publicity campaign in the newspapers, supported by posters in post offices, banks and public buildings in large cities and small country villages as well, and by radio advertising to invite citizens to conserve their bonds and certificates not only to help the war effort, but as a protection for the difficult postwar period. Such a campaign appears to me as the only practical step.

* * *

W. J. Parker

President, Manitoba Pool Elevators Ltd., Winnipeg.

Delete the word "unnecessary" from the question.

Sales pressure by employers and others at the time of the sales blitz results in over subscription of many wage earners. There is not enough publicity education regarding the conservation of bond purchases. Employers should take a personal interest in this matter and perhaps provide vault accommodation for employees' certificates and bonds at no cost to the employee. The employee then would have to advise the custodian of his desire to sell and so present the opportunity to discuss the circumstances. More emphasis is needed on the desirability of conservation and public recognition thereof.

* * *

Howard P. Robinson

Well-known Maritime industrialist, and vice-president, New Brunswick Telephone Co., Saint John, N.B.

No one has an infallible plan for recognizing unnecessary selling of Victory bonds so the suggestion seems wrong to me. I am one of those who recognize in borrowings for temporary purchases, a valuable stabilizing influence on the after campaign market, as well as a stimulating effect during the campaign period by individuals who, without available cash to purchase bonds, gladly pledge their credit to assist in putting the loan over the top. Who are you or I to determine that such patriotic citizens be made the victims of any programme calculated to stop these urges of good citizenship?

* * *

E. Norman Smith

Vice-president, Ottawa Journal.

Since "preaching" has been proven of little effect and prohibition of the sale might greatly reduce purchase, I can think of no specific remedy that would be wise as applied to the great mass of people. As to bigger fish, brokers might be prohibited from dealings in new bonds for say six to twelve months after the issue. Within two weeks of the last loan brokers were offering to buy blocks at a slight depreciation. Doubtless in some cases their customers were "penny" speculators.

* * *

B. A. Trestrail

Director of Co-ordination, John Inglis Co., Toronto.

In as much as terminations account for 60% to 70% of the cancellations of payroll savings commitments, a simple system of transferring commitments from one company to another promptly and easily would help materially. Also a buffer interview between employees' request for cancellation and actual execution would cause some employees to reconsider or reduce the amount cancelled.

A systematic follow-up of new employees should produce excellent results in reinstating savings commitments, and finally a constant company programme preaching thrift would help also.

Why not publish figures on the new sales of bonds and war savings certificates via payroll deduction, most of which must be from former cancellations.

* * *

O. F. Young

Editor, News Chronicle, Port Arthur, Ont.

I would suggest education pointing out the effects on economy and danger to the war effort as the most effective means of curtailing sales of Victory bonds. This plan is being adopted in the Port Arthur division by organization of a conservation committee which will not only urge investment but emphasize necessity of making it permanent.

Canada Cement Status Outlined

From Our Own Correspondent

MONTREAL.—Under existing income tax legislation, Canada Cement Co.'s net profits are limited to such an extent that the maximum amount the company can earn available for dividends on the preferred stock is equal to about 5¼%, as against requirements of 6½%, according to a statement made J. D. Johnson, president, in the company's annual report.

Had the present taxes been in effect for the full year, he pointed out, net earnings would have been reduced from $1,412,727 to $1,053,344.

Though earnings the past year were over $7 a share on the preferred, the directors felt that in view of the fact that approximately $5 a share is the maximum amount that can be earned for the duration, and as future business prospects are not encouraging, the surplus should be carried forward.

Mr. Johnson's remarks on business prospects were in a like tenor. Owing to wartime restrictions on private building and completion of so much of the war industry construction, he foresaw a sharp falling off in the use of cement this year.

Preliminary estimates by the company's own statistical organization, he told the shareholders, indicate that this reduction will amount to from 30% to 40% below 1942 consumption.

Dosco Increases Iron Ore Output

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s operation at the iron ore mines on Bell Island last year were affected by shortage of shipping, scarcity of labor and difficulty in securing material.

Despite these difficulties, ore mined last year amounted to 1,200,000 tons, or 250,000 tons more than was mined in 1941, but 300,000 tons less than in 1940. At the end of the year there were about 500,000 tons of ore in the stock piles on the island.

Up to the middle of last September all four mines were on half time and from then on to the end of the year, the mines were on 5 days a week.

In December, the number of men on the payroll was 1,990, some 100 less than at the same date in the preceding year.

Ore exported in 1942 showed a considerable decline, amounting to 980,000 tons as against 1,235,062 tons exported in 1941. Shipments to Great Britain totalled 209,000 tons, the balance of 772,000 tons went to Sydney. In 1941, the shipments to Great Britain were approximately 331,000 tons.

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J. F. McFadden, President

★

CANADIAN DIVISION

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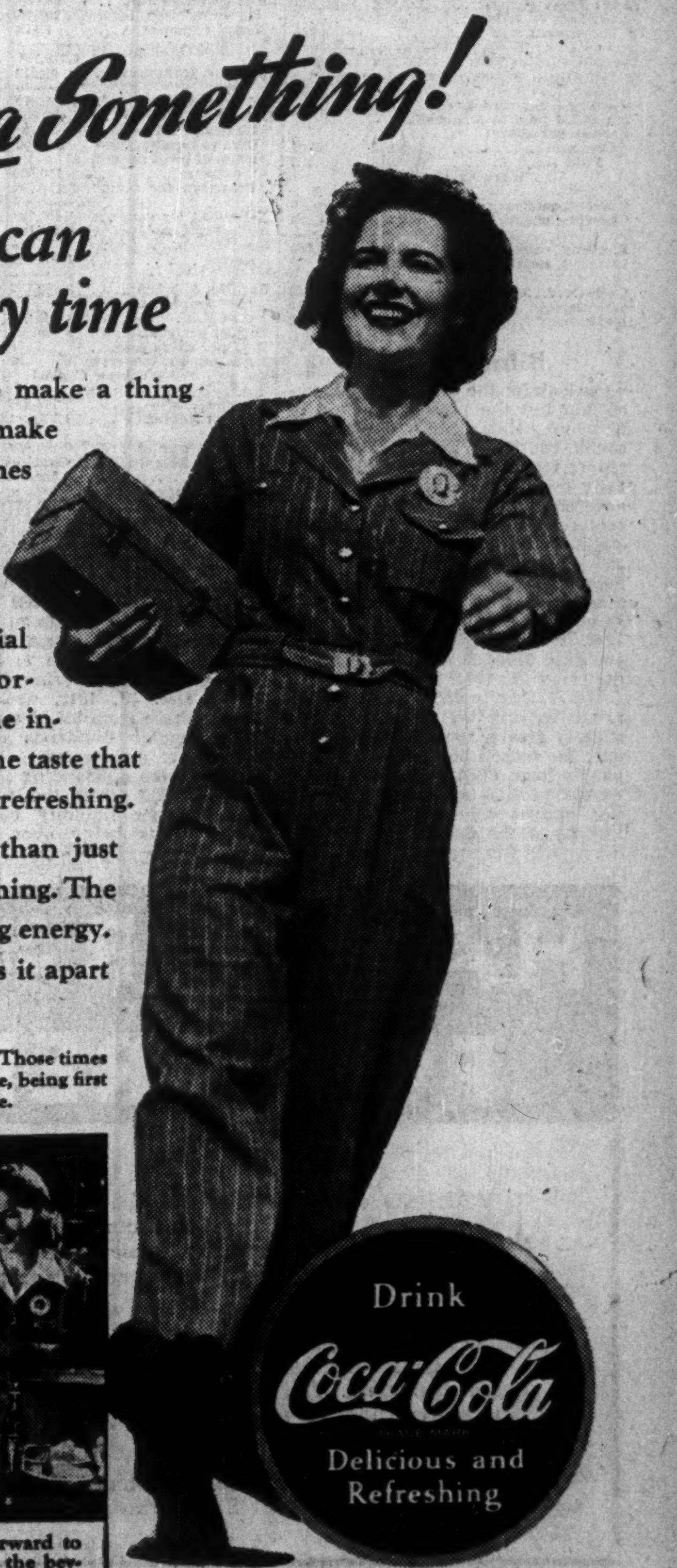

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This Week's Corporation Earnings

Most Earnings Higher

EARNINGS

Earnings per common share	1942	1941
	$	$
Canada Cement	0.18	0.54
United Distillers	0.18	0.07
Montreal Telegraph	1.85	1.81
Midland Loan	8.02	10.54
National Trust	9.70	8.34
Can. Permanent Mtge.	9.89	9.86
Biltmore Hats	1.02	0.90
Dover Industries	0.89	*1.27

*21 months.

Montreal Telegraph

No major change is indicated in the 1942 annual report of Montreal Telegraph Co. Gross revenue remained the same and because of a small saving in expenses, earnings on capital amounted to $1.85 a share, as against $1.81 the year before.

In his report to shareholders, Henry E. Rawlings, president, states that the appeal taken by the Quebec Government against the judgment dismissing its suit of $38,375 for taxes against the company is expected to be heard before the courts within a month.

The Quebec Government also is assessing the company for an additional amount of $26,518 for 1939, 1940 and 1941 under the Capital and Profit Tax Act. Negotiations are now going on, but the company claims that if any taxes are due, their payment is the responsibility of the Great North Western Telegraph Co. which leased the properties of Montreal Telegraph Co.

Income and Surplus Account Years Ended Dec. 31

	1942	1941
	$	$
Gross revenue	168,075	168,047
Less: Dividends	91,000	91,000
1942 taxes	31,530	......
Tax reserve	37,470	82,000
Expenses	6,601	8,413
Surplus	1,474	*366
Previous balance	38,968	40,385
Less: Tax balance	......	1,054
Add: Adjustments	6,688	4
Surplus forward	45,656	38,968
Earned per share	$1.85	$1.81

*Deficit.

United Distillers

United Distillers of Canada, Vancouver, reports consolidated net profits for the year ended Sept. 30, 1942, equivalent to 17 cents a share on its common stock compared with 7 cents a share for the preceding year. Dividends of 10 cents were paid last year, first payment since 1938.

The company's subsidiary, United Distillers (of America), had a net profit of $57,070 in the latest year which is included in the parent company's report.

Consol. Income and Surplus Account Years Ended Sept. 30

	1942	1941
	$	$
Operating profit	417,973	201,012
Less: Exec. remun.	28,700	28,700
Legal fees	1,383	1,399
Depreciation	50,867	49,757
Interest	16,124	14,821
Income & E. P. taxes	*175,819	45,431
Bad debts	9,645	4,486
Net profit	135,434	56,418
Less: Common divds.	†70,470	......
Surplus for year	64,964	56,418
Add: Prev. surplus	133,806	86,333
Less: Loss on bldgs.	11,471	......
Investment w/o	......	8,945
Earned surplus forw'd	187,299	133,806

*Of which $6,500, estimated refundable portion, has been set up in the balance sheet as a deferred asset. †After deducting $6,531 paid to a subsidiary.

Earned per share:		
Common	$0.18	$0.07
Paid	0.18	nil
Working Capital	$	$
Current assets	1,345,063	964,690
Current liabilities	692,919	287,424
Working capital	652,144	677,266
Balance Sheet Changes	$	$
Cash	132,348	128
Inventories	929,415	786,943
Bank loans	353,786	148,212

Biltmore Hats

Outlook for the coming year is uncertain but the present position of Biltmore Hats Ltd., Guelph, is sound, comments John A. Fraser, in report for the year ended Nov. 30, 1942. Inventories carried on the balance sheet at $549,640 could not be replaced at that figure, Mr. Fraser states. During the year another $15,000 of the company's 3¾% serial debentures matured, leaving only $15,000 of this indebtedness outstanding which will mature May 31, 1943. This maturity will leave outstanding $100,000 of 4% debentures due May 31, 1944.

Mr. Fraser points out that tax provision in this report is only slightly greater than in the previous one; the reason being that the company's year ends Nov. 30 and the excess profits tax imposed by the last budget only applied for five months of the fiscal year. He adds that it is likely that even should the company be able to operate as favorably during the coming year, the net profits available to shareholders would be considerably reduced if the current rate of taxation continues.

Income and Surplus Account Years Ended Nov. 30

	1942	1941
	$	$
Operating profit	194,484	178,840
Less exec. remun.	26,243	26,381
Directors' fees	500	500
Legal fees	......	529
Depreciation	16,508	14,298
Interest	4,844	5,387
Income & E.P. taxes	65,000	60,000
Net profit	81,390	71,745
Less: Common divids.	48,000	48,000
Surplus for year	33,390	23,745
Add: Previous surplus	350,905	292,512
Tax adj.	11,173	428
Ins. proceeds	......	34,220
Refundable tax	*1,971	......
Earned surplus forw'd	397,439	350,905

*Company statement deducts refundable portion of E.P.T. before showing net profit. As this sum is not available for current dividends such a deduction is not made here.

Earned per share:		
Common	$1.02	$0.90
Paid	0.60	0.60
Working Capital	$	$
Current assets	726,660	804,806
Current liablities	257,691	357,818
Working capital	468,969	446,988
Balance Sheet Changes	$	$
Investments	50,000	......
Accounts receivable	126,820	182,837
Inventories	549,640	621,769
Bank loans	129,738	163,762
Funded debt	115,000	130,000
Fixed assets	354,820	332,308
Less: Depreciation	232,364	216,181

Canada Cement

Canada Cement Co.'s earnings held up satisfactorily in the year ended Nov. 30, 1942, though results were not as good as might otherwise have been expected due to higher costs of production and distribution and substantially larger income taxes. Operating profit at $6.1 millions was up over $300,000 compared with the previous year. After all charges, earnings on the preferred amounted to $7.03 a share, and on the common 18 cents a share. This contrasts with $8.12 and 54 cents a share, respectively, the year before.

Several important changes are noted in the balance sheet and especially a marked increase in working capital position.

Cons. Profit & Loss Account Years Ended Nov. 30

	1942	1941
	$	$
Operating profit	6,146,683	5,827,349
Less: Depreciation	1,825,000	1,750,000
Gross revenue	4,321,683	4,077,349
Less: Exec. remun.	90,039	89,458
Directors' fees	10,740	10,720
Legal expenses	1,113	2,541
	4,219,791	2,974,630
Add: Inc. from invests.	41,519	32,012
Net revenue	4,261,310	4,006,642
Less: Bond interest	442,283	442,283
Mortgage interest	21,300	23,300
Con. to pension fund	100,000	......
Prop. of bond refund. expense	110,000	110,000
Provision for taxes*	2,175,000	1,800,000
Net profit for year	1,412,727	1,631,059
Add: Prev. surplus	3,232,400	2,906,989
Less: Divds. on pref. shares	1,004,345	1,305,648
Surplus forward	3,640,782	3,232,400
*Refundable portion of E. P. taxes incl.	147,000	......
Earned per share pref.	$7.03	$8.12
Paid per share pref.	5.00	6.50
Earn. per sh. common	.18	.54
Working Capital	$	$
Current assets	7,746,237	6,186,624
Current liabilities	1,555,301	2,118,040
Working capital	6,190,936	4,068,584
Balance Sheet Changes		
Cash	1,736,341	2,290,701
Govt treasury bills	499,345	......
Govt. bonds	2,986,392	901,704
Accts. receivable	964,874	1,145,265
Inventories	1,559,285	1,839,954
E. P. T. refundable	147,000	......
Sub. bonds o/s	495,000	545,000

Midland Loan

Due almost entirely to an increase of some $14,000 in taxes, net earnings of Midland Loan & Savings, Port Hope, Ont., during the year ended Dec. 31, 1942, declined to $8.02 a share from $10.54 a share in 1941. Regular dividends of $8 a share were maintained.

Debentures outstanding increased some $60,000 while the trend toward greater liquidity continued, liquid assets being over $100,000 higher at $793,341 while a decline of $40,000 occurred in mortgage holdings. Real estate held for sale dropped around $10,000 to total only $6,509 at the year end. All mortgage investments of the company are confined to the Province of Ontario.

Profit and Loss Account Years ended Dec. 31

	1942	1941
	$	$
Operating earnings	186,263	181,216
Less: Interest paid	70,603	70,114
Gen. expenses	22,866	21,247
Commissions	2,313	2,288
Inspection	......	1,271
Office bldg. w/o	......	500
Taxes	61,612	47,860
Net profit	28,868	37,936
Less: Dividends	28,800	28,000
Surplus for year	68	9,136
Add: Prev. surplus	53,608	44,472
Profit secs. sold	325	......
Surplus forward	54,001	53,608
Earned per share	$8.02	$10.54
Paid	8.00	8.00
Liabilities to Public	$	$
Debentures	1,855,200	1,797,176
Deposits	377,732	395,099
	2,232,932	2,192,275
Secured by:		
Liquid assets	793,341	690,632
Mtges. & int.	2,423,387	2,463,168
Less excess liabs.*	76,393	52,516
	3,149,942	3,101,284

*Excess of current liabilities over other assets.

Dover Industries

Dover Industries Ltd. reports a net profit of 89 cents a share in the year ended Sept. 30, 1942. No direct comparison can be made as previous report was for the period Jan. 1, 1940 to Sept. 30, 1941, when earnings were $1.27 a share. During the year three dividends of 20 cents a share were distributed.

Income and Surplus Account Years ended Sept. 30

	1942	*1941
	$	$
Operating profit	251,105	370,715
Add: Dividends	8,223	9,514
Total earnings	259,328	380,229
Less: Exec. remun.	12,853	24,278
Directors' fees	1,250	1,320
Legal fees	......	746
Depreciation	22,102	57,253
Income & E.P. taxes	98,961	114,195
Net profit	126,705	182,438
Less: Common divids.	85,690	142,816
Surplus for year	41,015	39,622
Add: Previous surplus	39,622	......
Refundable tax	**2,500	......
Earned surplus forw'd	83,137	39,622
Earned per share:		
Common	$0.89	$1.27
Paid	0.60	1.00

*Jan. 1, 1940 to Sept. 30, 1941.
**Company report deducts refundable tax before showing final net profit. As this sum is not available for current dividends such a deduction is not made here.

Working capital	$	$
Current assets	1,007,919	829,843
Current liabilities	295,667	164,329
Working capital	712,252	665,514
Balance Sheet Changes		
Cash	254,240	149,802
Investments	169,841	119,841
Accounts receivable	123,075	195,275
Inventories	460,761	364,926
Bank loans	110,173	......
Fixed assets	714,827	702,871
Less: Depreciation	505,234	486,363

National Trust

Operations of National Trust Co. showed further growth during 1942 with an increase both in net profits and assets under administration.

Guaranteed trust certificates showed a moderate decline during the year while savings deposits dropped to $17.3 millions from $20.3 millions, said to reflect subscriptions by depositors to Victory Loans in 1942. The ratio of liquidity was slightly higher at 76.72% as compared with 76.60% for 1941.

Annual meeting will be held Jan. 26 at Toronto.

Income and Surplus Account Years ended Dec. 31

	1942	1941
	$	$
Net earnings	456,324	466,332
Less: Taxes	164,641	216,181
Net profit	291,683	250,151
Less: Dividends	240,000	240,000
Surplus for year	51,683	10,151
Add: Prev. surplus	495,556	485,405
Surplus forward	547,239	495,556
Earned per share	$9.70	$8.34
Paid	8.00	8.00
Liabilities to Public	$	$
Trust deposits	17,270,860	20,274,508
Guar. certificates	1,594,483	1,730,365
	18,865,343	22,004,873
Secured by:		
Liquid assets	11,088,983	13,788,199
Mortgages	7,776,359	8,216,674
Net cap. acct. assets	5,297,239	5,245,557
	24,162,581	27,250,430
Estates, etc.	293,839,558	283,778,196

Canada Permanent Mtge.

Earnings of Canada Permanent Mortgage Corp. in 1942 were maintained at virtually the same level as in 1941. Sterling obligations were further reduced during the year with redemption of $793,932 sterling debenture stock and retirement of sterling debentures of which there is now outstanding $7,217,533 as compared with $8,091,168 at the end of 1941.

Canadian currency debentures are down to $26 millions from $27.2 millions while deposits have declined to $16.3 millions from $17.2 millions. A substantial drop in deposits is said to have occurred when the Victory Loan campaigns were under way but this has been largely recovered.

Income and Surplus Account Years ended Dec. 31

	1942	1941
	$	$
Net earnings	692,441	690,357
Less: Premises w/o	100,000	100,000
Tax reserve	25,000	25,000
Net profit	567,441	565,357
Less: Dividends	560,000	560,000
Surplus for year	7,441	5,357
Add: Prev. surplus	405,963	400,606
Surplus forward	413,404	405,963
Earnings per share*	$9.89	$9.86
Paid	8.00	8.00

*Based on net earnings, before write-offs and tax reserve.

Liabilities to Public	$	$
Debentures	33,236,376	36,128,320
Deposits	16,323,800	17,262,751
	49,560,176	53,391,071
Secured by:		
Liquid assets†	11,329,141	12,466,790
Mtges. & int.	46,105,279	48,663,340
Other net assets	4,679,160	4,806,903
	62,113,580	65,937,033

†Including 98% of the stock of Canada Permanent Trust Co. at par of $980,000.

National Life

Annual report of the National Life Assurance Co. for the year ended Dec. 31, 1942, reflects the effect of war in higher investments in Dominion Government bonds, higher than average mortality and a slightly lower rate of interest earned on invested assets.

Insurance in force at Dec. 31 totalled $69.6 millions, a gain of $4.5 millions. Total receipts were about $118,000 higher, the increase being mainly in premium income and interest and dividends. Figures on sales of new insurance during the year are not given.

Payments on policy contracts during the year were lower than in the previous year, a decline occurring in the dollar value of death claims, payments on matured policies, surrender values, annuities and dividends to policyholders. G. Fay Davies, general manager, stated that losses due to war claims in 1942 amounted to $23,431.

Investments in Dominion Government bonds during the year increased $924,271 and on Dec. 31 were 16% of total invested assets compared with 10.23% a year ago. Municipal and provincial bonds were a smaller percentage of the total while mortgages and preferred stocks were higher. Rate of interest earned on invested assets was 4.29% against 4.31% in 1941.

	1942	1941
	$	$
Business in force	69,580,363	65,074,926
Total receipts	2,427,079	2,309,776
Prem. income	1,654,169	1,547,003
Int., divds., etc.	665,594	642,438
Policy payments	1,060,622	1,182,832
Assets	14,737,613	13,978,127
Bonds	9,333,290	8,811,666
Stocks	1,177,496	1,147,035
Mortgages	1,620,135	1,290,865
Policy loans	1,524,534	1,659,014
Policy reserves	13,540,190	12,935,048
Surplus	327,494	327,494
Interest earned	4.29%	4.31%

Seagram Profit Sharply Higher

Net Income in Quarter Ended Oct. Last Shows Gain of 68%

From Our Own Correspondent

MONTREAL. — Substantially higher net earnings are reported by Distillers Corp.-Seagrams Ltd., for the three months ended Oct. 31, 1942, after allowing for an increase of 162% in income and excess profits taxes.

During the three-month period profit after all operating charges reached $14.8 millions, or more than double what it was in the like period of 1941.

Taxes averaged over $3 millions for each month, as against a little over $1 million last year. In addition $1 million was set aside for contingencies, leaving net profit at just under $4.4 millions. This contrasts with $2.6 millions in the 1941 quarter.

Consolidated Income Three Months Ended Oct. 31 (Expressed in U. S. dollars)

	1942	1941
	$	$
Profit after all operating charges	14,883,004	6,267,800
*Income and excess profits taxes	9,497,640	3,652,481
Prov. for contingencies	1,000,000	......
Net profit	4,385,364	2,615,319

*No credit has been taken for the 10% postwar credit on excess profits taxes for the three months ended Oct. 31, 1942, amounting to approximately $600,000.

DIRECTOR

R. C. Berkinshaw, who has been elected a director of the Mutual Life Assurance Co. of Canada. Mr. Berkinshaw, general manager and treasurer of Goodyear Tire & Rubber Co., was chairman of the Wartime Industries Control Board until he resigned to become president, treasurer and chief executive of Polymer Corp., crown company responsible for Canada's synthetic rubber programme.

Dairy Corp. of Canada has declared an initial dividend of $1.25 per share on the 5% preferred stock, $50 par value. The dividend is payable April 1 to shareholders of record March 15. Dairy Corp. preferred is entitled to semi-annual dividends up to 5% per annum, when earned, to Oct. 1, 1944, after which the dividends become cumulative at 5% per annum.

Significant Investors' Index Numbers

No. of Securities	Mach and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 96
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.5
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	68.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	76.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.9	55.9	62.0	49.0	99.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	98.9	70.8	67.9	70.3	72.0	65.0
Nov.	82.5	62.6	72.3	53.7	101.6	77.1	105.3	74.9	72.1	72.3	77.6	67.6
1942: Weekly Figures:												
Dec. 3	84.3	66.3	79.3	55.4	104.1	82.3	108.8	78.9	77.9	74.1	82.0	69.5
Dec. 10	85.6	67.0	85.3	55.2	109.1	83.7	108.9	77.8	76.8	73.9	80.8	69.3
Dec. 17	86.3	72.1	80.8	55.7	108.7	81.5	107.7	78.8	81.2	74.1	84.5	70.9
Dec. 24	87.0	73.1	80.8	59.8	108.6	81.8	106.2	81.1	82.2	74.6	85.1	72.4
Dec. 31	85.0	72.4	80.8	60.8	110.9	82.8	106.4	80.8	82.5	75.0	84.9	72.5
1943:												
Jan. 7	87.6	73.3	81.0	62.0	111.7	84.9	107.5	83.0	85.0	75.6	87.7	73.8
Jan. 14	90.4	76.4	83.4	62.0	113.2	87.9	106.8	84.2	87.9	76.8	90.0	75.4

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 19	103.02	75.28	67.10	20.18
Jan. 18	103.16	74.76	66.79	20.09
Jan. 16	103.07	74.51	66.72	19.95
Jan. 15	102.77	73.89	66.48	19.99
Jan. 14	101.70	73.02	66.39	19.71
Jan. 13	101.75	72.33	66.54	19.68
Month ago	96.61	64.24	62.19	17.53
Year ago	90.68	82.44	68.87	18.55
High 1942-3	103.48	83.71	71.01	20.28
Low 1942-3	79.85	50.16	58.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Jan. 19	55.7	66.7	62.7	79.57	55.08
Jan. 18	54.6	66.6	62.6	81.84	54.49
Jan. 16	54.4	66.6	62.5	81.66	53.97
Jan. 15	54.1	66.2	62.2	79.81	53.97
Jan. 14	54.0	65.9	61.9	77.12	52.78
Jan. 13	54.3	65.6	61.8	76.79	52.07
Month ago	50.9	63.5	59.3	75.31	46.54
Year ago	43.2	60.1	54.5	74.43	54.42
High '42-3	54.7	66.7	62.7	81.84	55.08
Low '42-3	39.6	53.5	49.8	47.98	33.47

New Issue

National Light & Power Company Limited

4½% First Mortgage Sinking Fund Bonds

Due March 1, 1961

Denominations: $500 and $1,000

Price: 99.50 and accrued interest, yielding about 4.54%

Descriptive circular furnished upon request.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company Limited

Ritz-Carlton Hotel Co., of Montreal, entire bonded debt is now in default. The first mortgage bonds matured June 1 last and the general mortgage bonds on Jan. 1. In neither case was the company able to meet the maturity. A plan of reorganization is now being worked out and it is hoped to release details in the next month or two.

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED

355 St. James Street West, Montreal

Branches in the principal cities of Canada

First in a series of Bulletins on Canada at War

"CANADA'S WAR ECONOMY"

Copy furnished on request

MIDLAND SECURITIES LIMITED

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Toronto, Ont.
Adelaide 1385

Huron & Erie Bldg.
London, Ont.
Metcalfe 4500

New Issue

$2,000,000

National Light & Power Company Limited

(Incorporated under the laws of the Dominion of Canada)

4½% First Mortgage Sinking Fund Bonds Series C

To be dated March 1, 1943 **To mature March 1, 1961**

Principal and half-yearly interest (March 1 and September 1) and redemption premium, if any, payable in lawful money of Canada at any branch of the Company's bankers in Canada (except Yukon Territory) at the holder's option. Coupon bonds in denominations of $1,000 and $500, registerable as to principal only. Redeemable in whole or in part at the option of the Company at any time prior to maturity on sixty days' notice at 104 up to and including March 1, 1944, and thereafter, at prices decreasing ¼ of 1% per annum up to and including March 1, 1959, and thereafter, prior to maturity at par, in each case with accrued interest to the date of redemption. Commencing September 1, 1943, there will be provided for the First Mortgage Sinking Fund Bonds Series C a sinking fund calling for a payment of $15,000 on September 1, 1943 and payments thereafter annually of 1½% of the total principal amount of all such bonds previously certified and delivered by the Trustee. These bonds to be issued under trust deed dated as of May 1, 1930, and an indenture supplemental thereto.

Trustee: National Trust Company Limited.

In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932, as amended.

We offer these bonds, subject to prior sale and change in price, if, as and when issued and accepted by us, and subject to the approval of all legal matters relating to the creation and issue of the bonds by Messrs. Fraser, Beatty, Palmer & Tucker, Toronto, except that such counsel will rely upon the opinion of Messrs. Ross, Gilmour & Brownridge, Moose Jaw, with respect to all legal matters pertaining to the Company's franchise, titles and the security created by the trust deed.

Subject as above we also offer these bonds at the price mentioned below (plus interest at 4½% per annum from March 1 to April 1, 1943) in exchange for outstanding Six Per Cent. First Mortgage Sinking Fund Gold Bonds Series A and Six Per Cent. First Mortgage Sinking Fund Bonds Series B of the Company due 1949 (which are to be called for redemption on April 1, 1943) taken at par plus a premium of 2% plus interest at 6% per annum to accrue from November 1, 1942 to date of redemption, adjustment of premium, interest and price to be made in cash.

Subscriptions and applications for exchange will be received subject to rejection or acceptance in whole or in part, and the right is reserved to close subscription books at any time without notice.

Price: 99.50 and accrued interest, to yield about 4.54%

It is expected that non-interest bearing Trustee's deposit receipts covering exchanges and interest bearing interim receipts covering cash purchases (the latter receipts bearing interest at the rate of 4½% per annum from the date thereof) will be available for delivery on or about January 27, 1943. These receipts are to be exchangeable for Series C Bonds (in interim or definitive form or Trustee's interim certificates therefor) when, as and if issued which it is expected will be on or about March 1, 1943.

A Prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, will be promptly furnished upon request.

McLeod, Young, Weir & Company Limited

Wood, Gundy & Company Limited **W. C. Pitfield & Company, Limited**

The information contained herein is based upon statements and statistics which we believe to be reliable. We do not guarantee, but believe the information contained herein to be true.

January 19, 1943

HAMMER-BLOWS FOR FREEDOM

NOTHING can equal the contribution and the sacrifice that our armed forces are making to preserve our democratic institutions and our very lives.

They, however, would be the first to realize their impotence without adequate equipment. The least we can do is to see to it that they fight the enemy on equal terms.

To do this puts a great onus on Canadian industry. General Steel Wares has long since gone into action with its great productive facilities for the skilled fabrication of a wide range of steel products needed in the Armed Forces. Millions of articles have already been produced and the output is increasing daily.

The disruption to our peacetime production is regrettable but inescapable — we cannot gamble with victory with everything else at stake. When that victory is achieved, our customers' interests will again be paramount.

GSW QUALITY GOODS

GENERAL STEEL WARES LIMITED

MONTREAL · TORONTO · LONDON · WINNIPEG · CALGARY · VANCOUVER

Your Income Tax

In this weekly column, The Financial Post answers problems of subscribers in connection with their business or personal income tax. In some cases, where official ruling has yet to be made, The Post can only cite informed opinion.

Enlists and Marries

In July, 1942, I enlisted as a private in the army. During the first part of the year my income was under $1,200. In December I married, my wife retaining her job. Apart from her salary she has no other income. During the first part of 1942 I had national defense tax deducted from my salary while I was in civilian employ. Am I liable for income tax on my civilian income or am I entitled to refund of the taxes already deducted?

—

As you were married before the end of the year and your wife's income is entirely from salary, you have the status of a married man for tax purposes. Being a married man with a civilian income for the year under $1,200 you were not liable for national defense tax under the old schedules nor are you liable for either normal or graduated tax under the new scales. Accordingly you are entitled to a refund of the taxes you had deducted from your income in the first part of the year.

CRAWFORD & BELL
Taxation & Insurance Consultants
44 Victoria Street
TORONTO
EL. 2028
S. Hume Crawford W. E. N. Bell

Tax Adjustment

I am an employee and four fifths of my income is from my salary. My employer makes deductions for tax every pay day. Several times I have seen reference to an adjustment of tax being necessary next September. What does this mean?

—

The deductions made by your employer apply only to the salary he pays you. The scale of deductions is designed to deduct only 90% of your estimated tax due. The 10% margin was left to enable you when making up your return next September to take into accoun' deductions for charitable contributions, excessive medical expenses, etc.

Then evidently you have some additional income from investments or some other source on which you do not have any tax deducted. This also will have to be taken into account when making your return.

At that time you will total up your income from all sources for the year. Estimate your tax due after all exemptions, deduct the amount already retained by your employer and remit the balance with your return. You might have a refund coming to you.

Extra T.D.1 Unnecessary

I am a pensioner of a United States company by which I was formerly employed. Last summer I supplied them with a T.D.1 form according to the income tax requirements. They have asked me recently to supply another T.D.1 claiming this is necessary as of Jan. 1. Is this second form required?

—

No. The only reason why your company should ask you for a second form is if the first one was lost or destroyed.

The Shareholder

Aluminum Co. of Canada Ltd. new issue of $15 millions of 5% preferred stock provided the chief topic of conversation in market circles this week. With the books scheduled to open Jan. 25, a very good pre-offering demand is reported by the syndicate handling the issue, with an early oversubscription said to be indicated. This is the first financing of this type to be done by the Canadian company and the investment fraternity is generally well pleased with this important issue.

Ordinarily in financing of this type the financing group can make allotments of stock where it likes. For the Aluminum issue, however, it has been agreed that the company will pass on all allotments. This is believed to be to ensure as wide a distribution as possible.

* * *

Reviewing wartime markets, Charles H. Burgess & Co., members Toronto Stock Exchange, comment:

"Prices on the London Stock Exchange are higher than in 1939 when the war began. Prices for Canadian stocks on the London Exchange are higher by 50 to 60% than in Toronto, Montreal or New York, after allowing for the difference in exchange. Canadians are awakening to the bargains available in our leading stocks yielding from 5 to 10%."

Your Wartime Business

To aid its subscribers in dealing with the numerous and complex problems created by wartime regulations, The Financial Post offers this new service. Its purpose, to provide as rapidly as possible the answers to specific business problems. As with its other enquiry departments, The Post reserves the right to refrain from answering questions on which the rulings are not clear, or questions whose answers depend on forecasts of coming events or are matters of individual business judgment. In these cases, we will endeavor to present the relevant facts on which the enquirer can base his own decisions. Address queries to the Wartime Business Editor, Financial Post, 210 Dundas St. W., Toronto.

Fur Prices

Is there a ceiling price on furs?

—

No, there is no ceiling on furs, although the Wartime Prices and Trade Board does require that each fur garment offered for sale must have a tag giving the price and the name of the animal from which the fur came. The ticket must also state the fact if the fur is from odd parts of the animal, such as paws or tail.

Butter Manufacturer

The man who manages a farm which I own makes butter. Have any new regulations, with which he must comply, been put in effect since the advent of butter rationing?

—

Yes, he must register with the Wartime Prices and Trade Board as a manufacturer of butter, whether he sells part or all of his butter or consumes all of it in his own home. Every farmer who sells butter made on his farm must collect, either from consumer customers or stores, the proper number of coupons to cover his sales, at the rate of half a pound per person per week. These he must turn in to the local ration board in his district. The law requires that where he consumes butter he makes in his own home he must turn in to the ration board enough coupons to cover the amount so consumed at the end of every month.

Merchandise Refunds

A pair of shoes I bought for my wife as a gift were too small. The store does not have the proper size and they refuse to refund the money, telling us we must purchase other goods. Is this allowed?

—

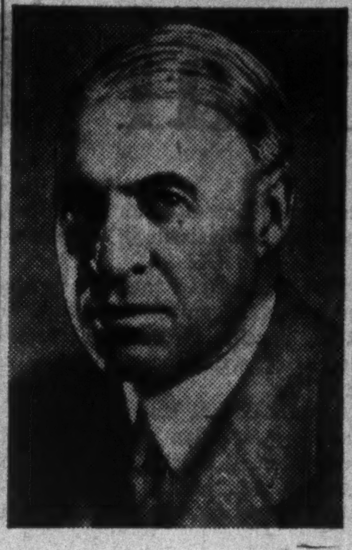
According to the Wartime Prices and Trade Board, a gift must be returned for a refund within 12 days of the date of purchase. There is no time limit, however, on exchanging a gift for other merchandise. If you tried to obtain a cash refund after the 12-day period had expired, the merchant is within his rights in refusing this request.

Fresh Fish

Is there a price ceiling on fresh fish?

—

The answer is no, with the exceptions of frozen salmon, fresh and frozen soles, bills and witches, caught in Pacific waters.



C.N.R. APPOINTMENT

George A. Stokes, formerly general superintendent, northern Ontario district, Canadian National Railways, has been appointed general superintendent, southern Ontario district, following the promotion of J. P. Johnson to be Chief of Transportation of the Canadian National System.

The Bondholder

Municipal bond issues continue to attract very good prices with most municipalities being able to do their financing these days at a rate well under 4%. One of the latest instances is that of Halifax which has sold $825,000 2½'s, 3's and 3½'s maturing over a period of 20 years at 99.817 for a cost of 3.36%.

This performance is typical of what other municipalities have been able to do in the financing market during the past few weeks. Burlington, Ont., recently sold $10,000 of 10-installment 4's at 101.56 for a cost basis of 3.69%. Ottawa late last month sold $130,000 10- and 15-year serial 2½'s and 3's at 101.03 for a cost basis of 2.44%. Forest Hill Village got 103.07 for $35,600 3½% debentures maturing 1943-52. Port Arthur sold $125,000 3½'s at 102.111 while Peterborough got 101.777 for $45,000 10-year serial 3's.

The prices being obtained for these securities are a good indication of the present scarcity of good grade bonds available for investment.

* * *

Canada's credit standing in the United States was given a strong vote of confidence last week when the $90 millions refunding loan was taken up on the day of offering. Shortly after full subscription was announced the bonds went to a premium of as much as a half point.

* * *

Premier Aberhart is quoted from Edmonton as declaring that the present financial system can only end with the people owing such a debt burden "to a few private financial institutions that we shall find ourselves completely enslaved to them."

This, of course, is the usual Aberhart nonsense. Fact is that there were over two million individual subscribers to the Third Victory Loan and 1.6 million subscribers to the Second Victory Loan. Holdings of Victory Loan bonds for many Canadians in the postwar days will mean greater freedom rather than enslavement.

* * *

National Light & Power Co. will be able to effect a substantial saving in interest charges through its refunding announced this week. Through a syndicate headed by McLeod, Young, Weir & Co. an issue of $2 millions of 4½% first mortgage bonds due 1961 is being offered at 99½ to yield about 4.54%. Proceeds will refund the 6% first mortgage issue due 1949 which is being called for redemption Apr. 1, 1943, at 102 plus accrued interest.

Bowater's Runs 98% Capacity

From Our Own Correspondent

MONTREAL. — Bowater's Newfoundland Pulp & Paper Mills Ltd. operated the Corner Brook plant at 98% of capacity during 1942, compared with full capacity the year before.

At the end of 1941 the Corner Brook mill produced paper for nearly all the Empire markets. With the spread of the war to the Pacific and Indian oceans, together with the shortage of shipping, this picture changed somewhat during the past year. Newsprint shipments to Australia, India, South Africa and the British Isles were reduced drastically, with the result that the outlet for Corner Brook newsprint is now confined largely to the North American continent.

In spite of these difficulties, the paper machines operated at practically full time for the year, partly as a result of the substitution of other products for newsprint. These products included another type of wrapping paper, various newsprint specialties and groundwood and sulphite pulp in rolls and bales for export.

The outlook for 1943 as reported by the company is not quite as promising. Owing to shortages of wood labor, the available wood supply is not sufficient for full-time operation. The company has had an average of about 1,000 in the woods last season, as against 2,000 under normal conditions.

During the past year two of the company's ships were lost through enemy action. However, all required amounts of mill products have been delivered to the various markets.

DOMINION OF CANADA
BONDS

BELL, GOUINLOCK & CO.
LIMITE
MONTREAL TORONTO WINNIPEG

Market Opinions

Commentators this week continue to recognize the underlying favorable position of the market but as prices still push higher increased weight is given the possibility of an intermediate, corrective decline.

Barron's, N.Y. (The Trader)—Undertone of the market is satisfactory enough. Individual leadership and lack of aggressive group movements, however, are unsatisfactory. Measured by the 9% decline in the short interest during January, the technical position has been deteriorating. The fact that the overwhelming consensus of opinion is that a substantial reaction is in the offing nevertheless points to the potency of latent buying power. All in all, and especially considering the fundamental strength of the position of the security markets as reflected in the buoyancy of bonds, it should make no major difference to the long-pull operators what immediate course prices take.

* * *

Brookmire Counselor—Spurred by good war news and by inflationary influences, stocks have recorded some further selective gains. After the long advance, however, it is well to be on the lookout for possible trouble, as the market may be more vulnerable if military reports or Washington developments were to bring some surprises. The cash reserve should be kept; and any portfolio changes should favor stocks that have not yet reflected the armament and inflationary stimuli.

THE BEER SHORTAGE

ON DECEMBER 16th, 1942, the Prime Minister of Canada announced that the Government had decided to reduce the sale of beer by 10% for the twelve months dating from November 1st, 1942.

Today there is a shortage of beer for consumers amounting to considerably more than 10%.

We believe the public and the trade are entitled to a full explanation of the facts.

WHY 10% IS MORE THAN 10%

Because the Government announcement of the cut came in the second month after the order became effective, sales for November and December had already been provided for in accordance with demand. (The per capita consumption of beer has not appreciably increased, but the high level of employment has naturally increased the number of consumers.)

Now, in order that the cut for the year ending Oct. 31, 1943 should total 10%, a reduction of much more than that is necessary for the first few months of 1943. This "levelling off" process is in progress because it is the only way in which the Government regulations can be carried out.

A DISTRIBUTION, FAIR TO ALL

We are doing everything possible to assure a fair distribution of the quantities permitted. In the meantime, we would ask you to remember that the new regulations came to everyone without adequate warning, in the second month after the effective date, so that no planning in advance was possible.

There is no actual shortage of beer supplies in Canada, since beer is brewed from Canadian-grown ingredients, not required for the war effort; but announcement of the curtailment, coming so late, has resulted in a more acute shortage than the Government regulations were designed to bring about.

We regret that this situation has arisen. We are doing everything possible to reduce any inconvenience that is being experienced by the general public and our friends in the trade.

THE NATIONAL BREWERIES LIMITED
operating
DAWES BLACK HORSE BREWERY DOW BREWERY
FRONTENAC BREWERIES LIMITED — MONTREAL
BOSWELL BREWERY — QUEBEC

FAVOURABLE WAR NEWS
and
Improved Position of Most Industrial Companies
have resulted in higher security prices.
Our current market letter includes recommendations.
Charles H. Burgess & Co.
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255 Bay Street EL. 8471

Abitibi Power & Paper Company, Limited
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Owning directly or through subsidiary companies, mills at
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Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

ORDERS BY MAIL
We are prepared to review lists received by mail and make recommendations.
GOODWIN HARRIS & COMPANY
STOCK BROKERS AND BOND DEALERS
MEMBERS: THE TORONTO STOCK EXCHANGE
CANADIAN COMMODITY EXCHANGE, INC.
SUCCESSOR IN TORONTO TO SEAGRAM, HARRIS & BRICKER
347 BAY ST., TORONTO PHONE AD. 9041

SERVICE
and
SECURITY

During 1942, The National Life maintained its record of maximum service and increased security for its policyholders.

INCREASED ASSETS — During the year, total assets were increased by $759,485. During the same period, the amount of Dominion Government bonds held by the Company was increased by $924,271.

RESERVE FUNDS — After providing $110,229.45 for dividends to policyholders who hold participating policies, the remainder of earnings was set aside in reserve funds to strengthen still further the Company's investment position.

NEW INVESTMENTS — Over 90% of the new money available for investment was placed in the Dominion bonds already mentioned and in first mortgages on improved real estate. These mortgages were increased by $319,869.88. A substantial part of this money was used to build homes for workers in war industries.

NEW BUSINESS — New production was satisfactory and the business in force of the Company was increased. The total business in force now stands at $69,580,363.

The National Life
Assurance Company
of Canada
Home Office Toronto
Established 1897

The Editorial Page . .

Not Much Wrong With Youth

There isn't much wrong with the youth of a nation when they survive a decade of new deal, socialist and totalitarian propaganda and still ask only for a chance to make their own way in the world.

That was the very striking conclusion demonstrated in a poll of U. S. youth recently reported in Fortune magazine.

One feature of the poll was its query as to which of three kinds of job high school boys would choose.

"A job which pays quite a low income but which you are sure of keeping." 41.3% voted for such a job.

"A job which pays a good income but which you have a fifty-fifty chance of losing." 30.2% wanted that.

"A job which pays an extremely high income if you make the grade but in which you lose almost everything if you don't make it." That took 27.8% of the votes.

That means that nearly 60% of the boys wanted to gamble on their own ability to make good and were willing to hazard the dullness of security for an opportunity to do better than average.

Remember that these were U. S. high school boys, whose whole lives have been spent in an atmosphere of new deal thinking which dinned into their minds that the state owes them a living; that only the views of the extreme left were possible for the "intelligent" man or woman.

Yet the aspirations of the majority are shown by this poll to be little different from those of their fathers; to be just as daring, just as enterprising as those of generations that created the progressive, energetic civilization of North America. Men who make today's laws, who chart our political course for tomorrow—and all who elect those men—should digest and remember this poll.

Threat to Postwar Recovery

In his address to shareholders, Charles A. Roy, president of the Provincial Bank of Canada performed a public service when he drew attention to the steady rise in the costs of essential but nonwar business in Canada. Too many observers, pinning their faith to the growth of economic activity, have assumed that this general expansion must mean general improvement. But that expansion has been almost entirely at the expense of routine business, for as Mr. Roy pointed out:

"Plant replacements and even repairs, except for those industries engaged on war contracts, have not always been possible, and there has been a consequent slackening off in efficiency. Inexperienced and untrained help has slowed production and increased costs sharply in nearly all industries. High wages and salaries paid by war industries make it difficult for other industries and business to carry on, as the selling prices of their goods or services have been frozen at the 1941 level."

This trend, and it has been getting even more noticeable in recent months, is, in the words of Mr. Roy, "contributing to an uneasiness as regards future operations." If continued much longer it must inevitably mean draining of financial reserves from business which must shoulder full responsibility for postwar reconstruction.

On routine industry, and the manufacture of now banned luxuries and semi-luxuries, will fall the brunt of the task of providing employment after the peace. If these industries are to be sacrificed in the present squeeze between rising costs and taxes on the one hand, and frozen lines and selling prices on the other, then the outlook for quick postwar readjustment is going to be bleak indeed.

Work For Bracken Backers

The annual meeting of the Holstein-Friesian Association of Canada, to be held on February 3, at which John Bracken will make his first important public address since his selection as leader of the Progressive Conservative party, may be one of the most important in the long and useful history of that organization.

Mr. Bracken's first public performance since nomination—his radio address—was an unusually happy start for a national political leader. Sincerity, honesty and high moral purpose were the impressions of many listeners not previously acquainted with this veteran figure in provincial politics.

But Mr. Bracken alone can neither win an election nor can he properly do the job which so many Canadians of many political opinions are intensely anxious that he do well—that is, lead an effective, alert and courageous opposition in Parliament.

What is the Progressive Conservative Party organization doing now? On its work much of Mr. Bracken's work must depend.

Concern has been expressed in a good many quarters that the party workers have been sitting back in happy contemplation of their Winnipeg achievements; that the enthusiasm of Winnipeg had fizzed off.

The Financial Post is informed that this is not the case; that important organizational work is under way; that the machinery that will make effective Mr. Bracken's willingness for public service is getting rolling.

That is to be devoutly hoped. Under the democratic system, whose preservation we are fighting for, the present condition of Parliament, where a virile opposition has so often been lacking, constitutes a serious danger for the things Canadians treasure.

The Bracken backers have a most important job to do and they should lose no time in getting it done.

Must Reward Initiative

Heavy taxation and excessive government control must end promptly after the war if Canada is to recover quickly, F. H. Marsh, president of the Bank of Toronto, told shareholders at the annual meeting this week. In normal times both of these factors act as brakes on economic progress.

"Any national policy which aspires to build up the country or even maintain it at its present level must include dependable and worth-while incentives for those who are willing to work and to save beyond the average," Mr. Marsh asserts.

The constant effort to better our condition both "individual and corporate" is the mainspring of progress, but this, as Mr. Marsh points out, does not mean that we should break entirely with the past. In fact, if we are to make real progress, we must make sure that the factors which have always proved essential for successful existence are included.

In Praise of Frills

The fact that the Canadian economy is functioning fairly well despite the elimination of many of the "frills" of civilian life is leading some of our citizens to clamor for a permanent end to frills, a Spartan way of life.

The logic is false.

Admittedly under the general heading of frills were some uneconomic practices which we are well rid of, but the great majority of the prewar extras, gadgets, services or whatever we called them, represented progress, gave us the surging, industrial economy which we have now harnessed to war purposes.

Today we are still living on some of the frills we enjoyed in peacetime. Tramcars, for example. With staggered hours and greatly increased traffic, the street car systems of Canada are able to hold their passengers simply because we did not have staggered hours before the war. If we had used our trams to the full in peacetime, we would only have needed about 75% as many as we actually had. We would probably have entered the war with about 25% fewer trams, and would now either be walking or wasting precious metal and manpower building new ones.

And if we hadn't been so fond of butter and cream before the war, we probably wouldn't be getting so liberal a ration now. If we hadn't so many automobiles we never would have developed an industry which is now sending so many trucks and transports to the armies all over the world.

The fact is, that what is a frill today becomes an essential tomorrow. After all, the steam-engine was a non-essential when it was invented, simply because people were getting around without them before. Frill-killing should be largely recognized for what it is—a temporary wartime ban on all types of progress except the essential improvement in our warmaking ability.

Business Must Accept Challenge

Canadian business must accept the challenge of socialistic postwar planners and develop its own programme for sane reconstruction after peace has been won. That is the straight-from-the-shoulder advice of Morris W. Wilson, Royal Bank of Canada president, in his address to shareholders last week.

Stated Mr. Wilson:

"Business is faced with responsibility for retaining the confidence of the vast body of commonsense Canadians, using the full weight of facts that can be drawn from experience. The weakness of those who theorize about postwar economy often lies in their lack of practical experience of business and their disregard of the widespread, undeniable diffusion of the benefits of free enterprise in the form of rising standards of living. This experience and these facts are readily available. Business should assemble and analyze them, and present to the public their irresistible conclusions, showing the true intent and ability of the system of free enterprise to do the things that need to be done. That is the only real way to carry the judgment of the people."

Mr. Wilson did not contend there was any finality in a system of free enterprise. The present high standard of living and freedom which we enjoy today is the result of evolution. Changes have occurred through the spread of knowledge, science, invention and other factors. More are to be expected.

But the responsibility for this continued evolution, as Mr. Wilson says, rests on the shoulders of business and business must become vocal and defend the conditions which make its working possible.

Cartoon by Grassick.

CRIPPLING OUR WAR EFFORT

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Stassen Plan For a World Parliament

Formation of a world parliament with very real powers to take charge of the affairs of this planet after the war, is advocated by Governor Harold Edward Stassen of Minnesota. Youthful Mr. Stassen, at 35, is an outstanding figure in U. S. politics. One of the outstanding political observers at Washington predicts a brilliant future for him in American Republican circles.

With Canada, too, Stassen is credited with having a most significant connection. For years he has worked closely with his northern neighbor and close, intimate friend, Hon. John Bracken of Manitoba.

On many occasions Stassen and Bracken have loaned each other special assistance in the way of research results, special investigations, etc. An interesting and speculative parallel is seen in this Bracken-Stassen personal relationship with that of Prime Minister King and President Roosevelt.

Highlights of the Stassen world parliament plan follow:

The Stassen plan provides for a single-house world parliament, with representation and voting power based upon literate population, financial contributions to the expenses of the joint government, and resources of member nations. Each nation would select its representatives by the same means it selects its own legislative body.

The seven major categories in which this United Nations government would function, each under a member of the council, are outlined as follows:

"First: To establish temporary governments over the Axis nations, preferably using citizens of the United Nations whose ancestry goes back to the particular Axis nation. Under these temporary governments, the Axis nations should be entirely disarmed, their criminal leadership punished for their acts of horror and betrayal of civilization. But no wholesale reprisals against innocent civilian populations should be countenanced.

"Second: To administer the great international airports and airways of the future. The establishment of the right of flight, rules of the air, air traffic controls, elevation channels for flight in different directions, with various types of planes, the co-ordination of weather data, radio beams and communications, and the maintenance of safe and stable airports, all should be a major activity of the United Nations of the World.

"Third: To administer the gateways to the seven seas.

"Fourth: To increase trade between the peoples of the world. Only in this way can the general standards of living throughout the world be gradually improved. Only in this way can those countries with high standards of living maintain high standards of living without war. This does not contemplate a sudden change to universal free trade, but it does contemplate embarking upon a definite trend toward increased world trade. Stifling obstructions or heavy dumping of goods should both be avoided, as both break down economic systems and cause world distress.

"Fifth: To increase the literacy of the people of the world. This should be approached, not as any utopian, grandiose idea, but with the definite realization that the ability to read and write is the key to much of the progress of man.

"Sixth: To establish a world code of justice and a United Nations Court to administer that code. The code of justice should obviously include provisions protecting minorities, preventing religious persecution, and abolishing slavery. The court should be named by the Supreme Courts of the member nations. The Attorney General or Counsel General would be one of the United Nations councilmen.

"Seventh: To establish a United Nations Legion, consisting of units of air strength, efficient modern naval forces, and highly mobilized, mechanized land divisions. The United Nations Legion would enforce the code of justice, support the administration of international airports, airways, sea gateways, and ensure the continued disarmament of the Axis nations and of outlaw areas. It would be backed by the armed strength maintained by the individual members of the United Nations, including our own country."

Post-Scripts . .

Strictly Bluenose

Cyril W. Stairs, newly-elected director of the Royal Bank of Canada, is widely known as one of the most able and colorful figures in the Maritimes.

Now in the middle 50's, he represents the aggressive type of Nova Scotian who has proved that it isn't necessary to go to "Upper Canada" to be successful.

MR. STAIRS

Cyril, or Syd as he is known to a host of friends, has the unique distinction of being the fourth generation of the Stairs family to serve as a director of the banking institution now known as the Royal Bank.

His great-grandfather, the Hon. William Stairs established the hardware business of William Stairs Son & Morrow. He founded and was the first president of the Union Bank of Halifax, which was amalgamated with the Royal in 1910.

His grandfather was a director of the same bank and later its president.

His uncle, George Stairs, also served as a director in the latter years of the last century.

All this implies that Syd Stairs was born with the well-known silver spoon in his mouth and that because of family connections life has been a series of easy conquests. The truth is that he has had to work, and work hard, for his successes.

At the age of 17 he began his business career as an apprentice in the family firm of William Stairs Son & Morrow. After a thorough grounding in the business and with no more security than a good name, he borrowed sufficient money from the bank to buy control of the firm.

Then came years of hard work and no little grubbing to pay off the loan.

New lines were taken on; new agencies were acquired. Sales mounted steadily for the century-old firm.

It is 20 years since Cyril Stairs became president of the firm. He is peacock-proud, and rightly so, of the 133-year traditions and fine record of William Stairs Son & Morrow, every director of which is an employee.

In his office on Water Street are many interesting souvenirs of the Stairs' business. Not the least important is a month-by-month sales record, at first in pounds, shillings and pence and now in dollars and cents, that goes back over 100 years.

Cyril Stairs has been an outstanding success as a Maritime businessman. But it is the little personal characteristics of the man which have brought him an army of friends the world over.

In person he is small and compact in build. He has a keen mind and never hesitates to express himself in an oversized voice with a pronounced down-East twang. He dresses conservatively, prefers brown, and features on his vest an out-size gold watchchain which he has a habit of toying with when he speaks.

He has a highly developed propensity for getting free lunches from a certain group of fellow clubmen.

Another characteristic is a willingness and even eagerness to take on new things: for example, a concoction of apple and lemon juice which he once produced for his friends because he thought it would help the sale of Nova Scotia apple juice.

He likes taking long-term bets, such as the length of the war, etc. These bets are all the same—one silver dollar. Moreover, and businesslike, he keeps a tickler file on these wagers so that he will be sure of collecting them as they fall due. Incidentally he pays just as promptly as he collects when he loses a bet.

A few years ago he achieved a measure of national fame by being linked with Alf O'Leary, another well-known businessman in Halifax, and Ralph Bell, now Director-General of Aircraft Production, in a Maclean's Magazine story which described them as the three bright young men of the Maritimes.

He likes to be considered hard-boiled, when all the time he is a pushover for every community drive or other worthy cause. He goes out of his way to be helpful and, as a host, has a reputation extending far beyond the confines of Halifax.

In many ways Cyril Stairs is a typical Maritimer, and as such he brings much of value to the board of the Royal Bank of Canada.

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Adopted Son

Back in the 1920's Sidney Frohman, president of Hinde & Dauch Paper Co., Sandusky, Ohio, was having more than his share of trouble, from a competitor, River Raisin Paper. He traced the strength of that opposition to Luther Winchell, assistant to the president and general sales manager of River Raisin. In 1931 a spot for a top-flight man opened up in Toronto at Hinde & Dauch Paper Co. of Canada. Frohman got Winchell for the job, got rid of an important competitive element and acquired a first-rank executive for his company's Canadian operations.

MR. WINCHELL

As vice-president and general manager of Canada's largest producer of corrugated shipping containers Luther Francis Richard Winchell has not failed the Frohman faith. In the past ten years, under the Winchell hand, production at Hinde & Dauch has increased by 130%.

Born in Monroe, Mich., in 1892, Luther Winchell is the possessor of a hearty, dynamic personality that has won for him a tremendous number of friends throughout Canada during the 12 years that he has been here. One good reason for that is that he has never looked on his job in Canada as an interim proposition after which he would get back to the United States. Five years to the day after he arrived in the Dominion he took out his full citizenship papers. He has shown that he likes Canada and intends to stay here; there is plenty of evidence that Canada likes him too.

The go-getting, dashingly-dressed, 5 ft. 10 in. Winchell—"Lute" to his friends—is widely known for his sincere interest in community activities. Whenever a welfare drive is launched around Toronto, it's a safe bet that Lute Winchell is on the committee somewhere. He has been prominent in organizing Victory Loan campaigns, the Canadian Employees' Chest; he is on the executive committee of the Federation for Community Service, lay representative for Salvation Army on the Ontario Provincial Advisory Committee. The Red Cross has also benefitted from his organizing ability. And just to show the breadth of his interest, he is also honorary chief of the Toronto Fire Department. Within his own industry he serves on the executive of the Canadian Pulp and Paper Association.

To all these activities Luther Winchell last week added another as the Toronto Board of Trade named him its president.

To those who met him during the business day Mr. Winchell is known as a leading executive who has no "big shot" complex. To callers he gives no hint of the many trials that beset operation of a large paper company today. In the Winchell office a courteous, friendly reception is the rule regardless of how heavily the pressure of business is weighing on him.

His friendliness and interest in community welfare has been reflected in relations with his own employees. He had been in Toronto only a comparatively short time when he organized a recreation club among the Hinde & Dauch employees, installed recreation facilities, built new locker rooms and showers that compare favorably with those at good golf clubs.

Away from the office Mr. Winchell finds his chief relaxation in boating and fishing and he maintains a summer home at Balsam Lake, Ont., where he can slip away for some fishing occasionally. Two sons are in war service, one with the Canadian fire fighting unit in England and the other presently in training with the Toronto Scottish in Canada.

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Lance Jack to Judge

Henry Irving Bird, recently appointed to the British Columbia supreme court, vividly recalls the day when his heart was almost in his mouth.

It happened during the last war when the Germans were making a gas attack on the First Canadian Division at St. Julien. Harry Bird, then a lance-corporal, stopped a machine gun bullet on the left side of his chest.

As he lay on the gas-drenched, bullet-swept battlefield where the Germans swept by in a grey wave, Lance Corporal Bird grinned grimly as he remembered a pledge made in England a few months before.

Before he left England for the front Bird had met Colonel Donald Armour, a noted Harley Street specialist, then assisting the noted Sir William Osler at Shorncliffe Hospital.

"You had better make a reservation here for me," the young lance corporal had told the colonel. "This looks like the most comfortable hospital I've seen."

Fate dictated that Bird's remark, made in jest, was to become a fact, for when he was carried ashore from a hospital ship that had borne him across the channel the lance corporal was tagged for Beachborough, the Shorncliffe Hospital.

Colonel Armour and Osler were called in to have a look at the new patient.

"Boy," exclaimed Osler, "when that bullet went through, your heart must have been in your mouth. How it missed I can't imagine."

But the famous surgeon told Bird that the injury would probably never bother him once it had healed, and the prediction proved accurate.

Born in Cobourg, Ont., in 1892, Bird was educated in Toronto, at Upper Canada College, and at Osgoode Hall. He went to Vancouver in 1910 and studied law with the late A. H. MacNeill, K.C. He went overseas in the last war with the 16th Battalion Canadian Scottish, one of the toughest, hardest fighting units sent overseas from the Canadian west coast.

When his chest wound healed he received a commission in the 126th Ontario Battalion and went overseas again. When the war ended he was a major.

Returning to the west coast, Bird re-entered the legal profession with his uncle, J. Edward Bird, and R. M. Macdonald. Later he entered into partnership with H. S. Wood, K.C., who is now Vancouver's police magistrate, and J. Pitcairn Hogg, now legislative counsel at Victoria. He has been a partner of E. M. C. McLarg for the past six years. He has specialized in labor litigation and he was counsel for the commission recently conducted by Mr. Justice Gordon Sloan into the Workmen's Compensation Act's operations in British Columbia.

Sayings of the Week

"My dad used to say he never had to think up a joke—that all he had to do was to watch Congress and report the facts."—*Will Rogers, Jr., arriving in Washington to become a new Representative from California.*

. . .

"Some people talk as if we were the Britain of 1776, and others as if we were the Britain of 1938 — and the second group is only slightly less out of date than the first."—*Herbert Morrison, British Home Secretary.*

. . .

"The most violent critics of government and parliament are those who believe in a controlled economy and government operation of everything in sight."—*R. J. Deachman, Ottawa, on return from a speaking tour throughout western Canada.*

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Stop Me If . . .

"You wrote a policy on a 92-year-old man!" gasped the insurance branch manager.

"Sure," replied the new salesman. "Statistics show that very few men die after 92."

Other People's Views . . . .

The Canadian Editorial of the Week

First Dawn of Sanity

Vancouver Sun

The United States and Mexico have signed a new tariff treaty which will permit a large new flow of goods between them and will strengthen the war effort of both nations. The other great boundary line of this continent, the forty-ninth parallel of latitude, which used to bristle with tariff weapons, has largely been cleared of obstacles to the movement of essential war goods.

For war purposes all the resources of North America are now available where they are needed for the common purpose of building weapons. Everywhere it is realized that we can produce a maximum war effort only if each part of America produces the goods it can produce most cheaply, most expeditiously and most expertly, the whole output then being combined against the enemy.

When the war is won we shall have another objective. We shall be seeking then not to build weapons of destruction but goods for people to use. It should be obvious to any thinking person that this objective can be achieved best by the same method followed during the war—by the co-operative use of our North American resources, by letting each area produce the things it can produce most cheaply, expeditiously and expertly. Only in that way is maximum production possible, and maximum wealth for all.

Must the sensible co-operative economy built during the war perish simply because the destructiveness of war is finished?

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As Others See Us . . .

Good Old Days Are Ended

Brockville Recorder

Some people talk as if all our wartime controls and restrictions will be swept away the moment peace is signed. If they are, we will be in for real chaos, followed in all probability by a major postwar depression which should at all costs be avoided.

The Financial Post does not agree with the common belief that the end of the war will also mean the end of governmental controls. It remarks that in this country, as elsewhere, there are already short-sighted forces which are crying, "Let's get back to the good old days," and it continues:

"That, of course, is nonsense. First, we can't go back to anything any more than we can turn back time itself. Second, they were good days for too few people—and even for those the goodness was often a mirage. All but few now know that the continued prosperity of the few is dependent on the continued prosperity of the many."

Most certainly all of our controls will not disappear when peace is signed. Some of them, of course, will vanish immediately but others will have to remain in force to see Canada through the period of reconstruction and rehabilitation and they will be removed gradually. If this is not done, we may prepare ourselves for developments perhaps a great deal worse than those which followed the Great War.

As a matter of fact, there is every evidence that the Canada which will follow the war will differ materially from the Canada which preceded it and no amount of howling for a return to the old order of things is going to alter that fact.

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Antidotes for Gloom

Charlottetown Guardian

There are prophets of gloom who are proclaiming that Canada's expansion is finished; that we don't want and can't support a larger population; that opening our immigration doors after the war will add impossible burdens and dangers for the Canadian economy.. The Financial Post cites in refutation of these claims some cheering assurances by an outstanding geographer, Prof. Griffith Taylor of Toronto University.

Using his scientific measuring sticks of climate, soil, temperature and other factors of environment such as raw materials, Professor Taylor estimates that not until Canada has a population of 50 millions will we near the population saturation point.

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Draft Evasion

Revelstoke (B.C.) Review

The Financial Post is a potent journalistic poultice, which has extracted many hidden festers from the Canadian body politic.

It dragged out a little-known fact about the country's manpower problem when it stated in a news article last week that "the immediate attack on manpower for the armed forces will be focused on the alarmingly big 'pool' of men who have so far evaded the draft. There are expected to be enough men in this pool to last the Army many a day—if they can be located. To locate them and bring them into the services will be the first and most important job of the new draft machinery."

Well, it ought to be the most important job of the new draft machinery and The Financial Post has done the country a service by drawing attention to it.

No Monkeying Please

New Glasgow News

Meat rationing is mentioned by The Financial Post as the next on the list. Canadians will hope that if it comes, it will be done through decisive and frank steps—and not, as in the case of butter, by declarations there will be none swiftly followed by the rationing details. Such contradictions are extremely bad on public morale and go a long way toward breaking down national morale.

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Women Form 23.5% of Working Force

Survey Shows Big Increase in Number Employed in Manufacturing

Out of every 100 workers in Canadian industry 23.5 are women, according to figures compiled after a recent survey by the Dominion Bureau of Statistics. Only 16.7% of Canadian workers were women in 1931, the census of that year showed.

The latest study revealed a notable increase in the number of women employed in the iron, steel, aircraft and gun manufacturing industries, in which manufacturing operations have been simplified so that girls can quickly catch the swing of the jobs.

In the most comprehensive survey yet made of the extent of the female "invasion" of industry, the figures compiled recently by the Dominion Bureau of Statistics reveal that only one category of industry has been feminized to the extent that more than half of its workers are women.

That category is "services," it includes hotels, restaurants and laundries, and has a 51.6% female personnel against 42.4% in 1931.

In the entire field covered, the survey shows that so far, women account for 23.5% of the workers in Canadian industry. Its bald figures do little to indicate how permanent or how general the invasion will prove to be, but they imply that mass-production industries in urban location offer the most attractive jobs for women, hence would presumably be the most likely to retain their female help.

Some branches of manufacturing, notably tobacco and some lines of textile trade, had more women than men workers in 1931 and the ratio has tended to increase since that time. Trade has become feminized to the extent that the retail branch now employs 51.2% women workers as compared with 31.1% in 1931, but the trade division as a whole is still predominantly masculine with only 45.3% women at work.

Other significant points the D.B.S. survey highlights is a notable increase in feminine employment in the iron, steel, aircraft and gun manufacturing industries. This condition may be ascribed very largely to evolving of mass production techniques which have brought in more automatic machines. Complex manufacturing operations have been subdivided and broken down into their simple component parts so that a girl can quickly catch the swing of the job.

In the D.B.S. survey, the more than 13,000 establishments contacted employed 1,879,845 workers at Oct. 1, 1942, of whom 76.5% were men and 23.5% women.

Strictly comparable figures are not available but breakdowns that are on record show a material increase in feminine employment expressed as a percentage of the total employed during the past two years. More comprehensive statistics from the 1931 census shows the ratio of females at that time was 16.7% of the total. The Oct. 1, 1942, figure of 23.5% represents a growth of nearly 41% in this proportion over the 11-year period.

Manufacturing Highest

Of the 441,156 women working for the reporting companies as at Oct. 1, 1942, 66.4% were employed in manufacturing. Second largest group was trade with 71,433 females employed, while finance with 28,837, services with 21,275 and communications with 13,491 followed in order. The remaining 13,379 women were distributed among the logging, mining, transportation and construction industries.

The comparative statistics for the manufacturing division are taken from the Census of Industry for 1940, and this comparison indicates an appreciable growth in the number and proportion of female workers over the two-year period. This increase is rendered even more significant by the fact that a large part of the expansion in industry resulting from the war has been in the heavy industries, not normally large employers of women. In 1940 the Census of Industry reported that 21.8% of the persons engaged in manufacturing were females, this figure comparing with 25.7% last October. The 1942 figures include only the larger establishments so it appears probable that the increase in female employment has been even greater than the available figures indicate.

Textiles Take Many

About 29% of all females reported in manufacturing at Oct. 1 were at work in textile factories where they account for 57.7% of total employment. Next largest group reported in iron and steel plants, the 60,381 representing 14% of the total, or better than double the 1940 figure. Within the iron and steel division, particularly, large numbers of women were employed in firearm and aircraft factories where they accounted for 35% and 23.4% of total employment. Third largest group of women in iron and steel was in the automobile industry where they constituted 11% of total wage earners.

Chemical works provided employment for 20,427 women, or 35.4% of the total as compared with the 1940 ratio of 23.5%. A large percentage of these women are engaged in producing explosives and ammunitions, while drug manufacturing accounts for over 10% of the total.

Changing Methods

In many cases the employment of greater number of female workers is due in part to changes in the product made, partly to extensive rearrangement of production methods. Much of the war work done now is considerably more automatic as regards equipment, more subdivided in operation, than peacetime work.

Female workers appear to concentrate in the larger cities to a greater degree than men. Total figures from manufacturing show 59.5% of the female wage earners concentrated in Montreal, Quebec, Toronto, Ottawa, Hamilton, Windsor, Winnipeg and Vancouver. This compares with 50.4% of male employees in manufacturing in these centres.

In logging, only 788 women are employed, or 1.8% of the total. These are almost entirely engaged in clerical work. Of the 1,565 women in mining, or 2% of the total, almost all are in office work.

Phone Percentage Steady

In the communications field the proportion of female employees has shown little change, standing at 47.7% as compared with 47.5% at the 1931 census. Number of women reported by telephone companies was 12,267 or 58.6% of the total, as against a ratio of 59.6% in 1931. As substitution of mechanical for manual switchboard equipment in the last decade has largely displaced women workers, this virtual maintenance of their proportion to the total indicates a substantial gain in the number of women in clerical and other occupations in the telephone industry.

In transportation the 8,431 women employed account for 6% of the total, or double the 1931 proportion. Substitution for men in this division is very largely in clerical work.

Only main industrial group to report a majority of women workers is services which employ 21,275 women, or 51.6% of the total. This group includes hotels, restaurants and laundries.

Trade Ratio Jumps

Trading establishments report 71,433 female workers, or 45.3% of the total against 28.2% in 1931. In retail trade the proportion jumped to 51.2% from 31.1% while wholesalers reported an increase to 26.1% from 16.6%.

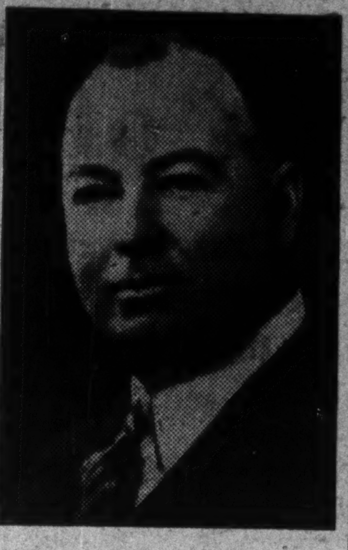
The third largest group of all, finance, employed 28,837 females as at Oct. 1, 1942, representing 44.9% of total employed. Banks and trust companies showed a particularly heavy gain, now employing 17,903 women or 47.8% of the total for this division. At the 1931 census the banks and trust firms employed only 6,447 women, or 23.4% of the total.

The accompanying table shows the number of women employed at Oct. 1, 1942, expressed as a percentage of the total employed. For manufacturing the comparison is made from the Census of Industry for 1940; for logging from 1940-41 figures of the Forest Products Branch, and for the other industries the decennial census of 1931, the 1941 census figures being too fragmentary as yet.

Percentage of Women to Total Employed

Industry:	Oct. 1 1942 %	*1940 %
Manufacturing	25.7	21.8
Animal prods.	19.5	11.6
Fur & prods.	35.9	33.4
Leather & prods.	40.8	33.7
Boots & shoes	43.1	37.9
Lumber & prods.	9.4	7.2
Rough & dressed lumber	6.4	...
Furniture	10.0	6.6
Other lumber prods.	22.1	...
Musical instruments	16.6	6.2
Plant prods.—edible	41.0	28.2
Pulp & paper prods.	20.4	14.7
Pulp & paper	6.1	4.0
Paper prods.	40.2	29.9
Print. & pub.	28.6	22.2
Rubber prods.	34.1	27.7
Textile prods.	57.7	52.1
Thread	44.3	36.8
Cotton	44.2	35.4
Woollen	46.5	41.5
Artificial silk	41.9	34.5
Hose & knit goods	64.1	61.2
Garments & personal	66.5	64.9
Other prods.	53.3	...
Tobacco	66.4	53.3
Beverages	17.2	8.8
Chemicals	35.4	23.5
Clay, glass, stone prods.	16.7	9.2
Elec. light & power	11.2	8.2
Elec. appliances	37.2	26.0
Iron & steel prods.	14.0	6.1
Crude, rld. & fgd. prods.	6.5	...
Machinery	15.6	8.5
Agric. implements	13.0	4.8
Land vehicles	12.5	...
Autos & parts	11.0	7.9
Steel shipbuldg. & repair	2.2	1.3
Heating appliances	9.4	5.4
Iron & steel fabric	8.4	...
Fdry. & mach. shop prods.	11.3	...
Other prods.	26.8	...
Non-ferr. metal prods.	16.1	10.1
Non-metallic mineral prods.	7.3	5.3
Miscellaneous	39.0	28.6
Logging	1.8	...
*Mining	2.0	0.6
Coal	1.1	0.4
Metallic ores	1.8	...
Non-metallic minerals	5.2	...
*Communications	47.7	47.5
Telegraphs	16.6	11.8
Telephones	58.6	59.6
*Transportation	6.0	3.0
Street rlys.	7.7	2.6
Steam rlys.	6.2	3.2
Shipping & stevedoring	2.7	2.6
*Construction & maintenance	1.4	1.0
Building	1.6	...
Highway	1.7	...
Railway	0.3	...
*Services	51.6	42.4
Hotels, restaurants	44.5	42.0
Personal	63.0	44.3
*Trade	45.3	28.2
Retail	51.2	31.1
Wholesale	26.1	16.6
Total (except finance)	22.7	...
*Finance	44.9	29.7
Banks & trust cos.	47.8	23.4
Brokers and stk. mkts.	32.2	30.6
Insurance	41.3	34.6
Total	23.5	...

*For mining, communications, transportation, construction, services, trade and finance the comparative percentage is taken from the 1931 census.



C.N. PROMOTION

Frederick Griffin, formerly superintendent of the Edmundston division, Atlantic region, Canadian National Railways, who has been appointed general superintendent, northern Ontario district, following the promotion of Geo. A. Stokes to be general superintendent, southern Ontario district.

ATLANTIC G. M.

James F. Pringle, whose appointment as general manager of the Atlantic Region, Canadian National Railways, has been announced. Mr. Pringle was formerly chief of transportation of the Canadian National System and prior to assuming that position was general superintendent, southern Ontario district, with headquarters in Toronto.

The Week in Business

The kind of final settlement reached in the steel strike may have an important bearing on many business operations through the country. If the strikers get the increased pay they seek the possibility exists that this will be regarded as a precedent for similar action in other industries.

Any breakdown in the government's wage ceiling policy could result in heavily increased pressure against price ceilings. The immediate effect of the strike is being felt through dwindling steel stock piles, which were not overly large to begin with.

Evidence of the way that general business operations have levelled off is provided by the Dominion Bureau of Statistics index on the physical volume of business. For November this index stood at 207.8 as compared with 207.2 for October and 206.1 for September.

Newsprint production and exports showed a moderate decline during 1942 with output down 7.3% from 1941 and exports 7.7% lower. For December production was some 56,000 tons below a year ago while exports were down 76,000 tons.

Payrolls showed a small decline during November the D.B.S. index for the month standing at 214 as compared with 223 for October. In November, 1941, the payroll index was 186.

Sea fisheries report a lower catch by weight but a heavy increase by value. For the first 11 months of 1942 the catch at 10 million cwt. was 4.1% below that for the same period of 1941, but value at $30.2 millions was up 23.3%.

Railway carloadings show comparatively small change, reflecting continuing capacity operations. For the year to date loadings show a decrease of 2.2%. C.P.R. gross revenues for the first two weeks of 1943 amount to $8.6 millions, up 17.3% from a year ago.

	Dec.	Nov.	Oct.	Sept.	Year Ago
▪Physical vol. of business, D.B.S.*	....	207.8	207.2	206.1	183.7
National Income, D.B.S.•	....	....	....	646.2	600.3
Nat. Income Index (1935-39=100)	....	....	....	190.1	176.6
▪Dom. war expend. (million $)	218.9	209.6	175.9	207.3	124.0
▪Dom. total revenue (do.)	175.0	180.7	203.9	162.4	111.6
▪Dom. total expend. (do.)	360.4	335.5	357.4	318.9	166.7
Retail sales index no.	....	162.1	152.1	152.3	138.2
Dept. store sales index no.	....	170.7	152.9	152.7	137.6
Wholesale sales index no.	....	151.8	170.7	177.9	147.4
Country store (% change pr. yr.)	....	+15.0	+16.7	+12.6	+5.0
Divd. payment index‡	122.7	123.1	123.3	123.5	120.3
Bank deposits (1926=100)	....	185.1	179.1	170.1	156.0
Cash and cheque pay. index	....	197.8	161.3	139.7	132.2
Bank debits (1935-39=100)	....	164.0	135.7	134.5	113.2
Money supply (c)	....	4,280	4,120	3,927	3,501
NEWSPRINT % OF CAPACITY—					
▪Production ratio	66.0	70.6	70.6	72.4	82.4
▪Shipment ratio	65.8	71.7	76.9	82.1	87.4
RAILWAY FREIGHT LOADINGS—					
Tons	....	137.2	134.5	127.1	139.6
Cars	....	126.5	124.6	117.4	124.4
COST OF LIVING—					
D.B.S. index	118.8	118.6	117.8	117.4	115.8
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	....	181.3	179.3	165.8
Manufacturing	....	....	218.3	215.5	184.9
Payroll (June 1/41=100) (b)	....	....	137.9	135.5	113.3
▪Payroll index (a) (1937=100)	....	214	223	210	186

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
▪Carloadings (week Jan. 9)	57,732	56,642	103,499	105,882	—2.2
▪C.P.R. gross (week Jan. 14) $	4,727,000	3,609,000	8,656,000	7,375,000	+17.3
C.N.R. gross rev. (Nov.) $	31,866,000	27,292,966	338,695,000	276,365,487	+22.6
C.N.R. net rev. (Nov.) $	6,602,144	5,719,863	78,266,506	60,347,891	+29.6
C.P.R. gross rev. (Nov.) $	22,414,905	20,207,692	232,340,753	200,241,838	+16.0
C.P.R. net rev. (Nov.) $	5,269,425	5,201,227	42,993,380	40,866,786	+5.2
IRON AND STEEL—(November)—					
Pig iron production (tons)	170,578	149,783	1,810,633	1,361,873	+32.9
Steel production (tons)	270,812	247,931	2,851,527	2,456,468	+16.0
CONSTRUCTION—					
Contracts awarded (Dec.) $	9,608,900	19,109,900	281,594,100	393,991,300	—28.5
Building permits (Nov.) $	7,624,195	11,729,291	97,257,153	114,008,464	—14.7
Cement prod., bbls. (Oct.)	1,146,307	1,042,685	8,190,634	7,324,025	+11.8
AGRICULTURE—					
Flour prod., bbls. (Nov.)	1,973,401	1,664,803	18,697,561	18,894,266	—1.0
Cattle sales▲ (Dec.)	109,830	116,022	1,173,714	1,239,526	—5.3
Hog sales▲ (Dec.)	722,284	796,177	6,228,163	6,216,207	+0.2
SEA FISHERIES—‡					
▪Catch, cwts. (Nov.)	761,600	921,100	10,047,300	10,483,600	—4.1
▪Landed value (Nov.)	1,494,300	1,396,100	30,259,300	24,541,800	+23.3
NEWSPRINT—					
▪Production, tons (Dec.)	244,183	300,823	3,177,094	3,425,865	—7.3
▪Exports, tons (Dec.)	226,772	303,924	3,006,144	3,257,899	—7.7
MINING AND OILS—					
Coal prod., tons (Nov.)	1,618,113	1,828,937	17,103,950	16,411,958	+4.2
Gold rec., fine oz. (Oct.)	380,144	443,884	3,928,015	4,264,487	—7.9
Petroleum prod., brl. (Oct.)	859,895	871,491	8,665,941	8,370,963	+3.5
ELECTRIC POWER OUTPUT—(November)—					
Total monthly, 1,000 kw.h.'s	3,180,153	3,185,982	33,860,710	30,224,560	+12.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. (Nov.)	2,884,992	2,935,564	30,549,537	29,910,628	+2.1
Cotton consump., lb. (Nov.)	16,064,484	16,647,670	179,903,951	182,238,790	—1.2
Cigarette cons., No.† (Nov.)	1,045,660	753,932	9,277,939	7,861,717	+18.0
FINANCE—					
Bank debits† (Nov.) $	4,966,558	3,426,906	41,331,641	35,556,411	+16.2
▪Bond sales† (Dec.) $	92,552	92,,473	4,,290,136	2,360,181	+81.7
Life insurance sales (Nov.) $	52,042,000	44,984,000	489,246,000	381,743,000	+28.2

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. ▲Total at yards and plants. †000 omitted. •Millions of dollars. ‡Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted. (a) Compiled by Canadian Bank of Commerce. (b) All industries.

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Nfld. December Surplus Lower

Half Year Surplus is Higher at $4.6 Millions; Customs Revenue

Newfoundland reports a surplus of $616,115 for December as compared with $1,031,294 in Dec., 1941. For the first six months of the current fiscal year surplus totalled $4,642,488 as compared with $3,531,246 in the first half of the previous fiscal year.

Total of advances as temporary non-interest bearing loans for war purposes to the U. K. government amounted to $6.1 millions at Nov. 30, 1942, exclusive of advances from the proceeds of the sale of war savings certificates.

Revenue and expenditures

	December 1942 $	December 1941 $
Revenue:		
Customs	1,872,949	1,682,817
Posts & tels.	146,717	134,938
Taxes	194,765	150,311
Nat. resources	19,521	27,767
Other	235,108	162,299
Total	2,469,060	2,158,132
Expenditures:		
General	1,824,820	1,095,877
Int. & debt. charges	28,125	30,961
Total	1,852,945	1,126,838
Six Months Ended December		
Revenue:	$	$
Customs	10,597,289	8,599,552
Posts & tels.	687,159	537,036
Taxes	1,259,988	614,848
Nat. resources	121,490	130,448
Other	978,724	601,023
Total	13,644,650	10,482,907
Expenditures:		
General	7,649,917	5,586,213
Int. & debt. charges	1,352,245	1,365,448
Total	9,002,162	6,951,661

Clarendon Apartments in the six months ended Nov. 30, 1942, had receipts of $19,575 against disbursements of $21,130. This loss reduced balance on hand to $2,676.

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Text of Addresses Made at 74th Annual Meeting of Shareholders of

The Royal Bank of Canada

Morris W. Wilson, President and Managing Director, urges post-war planning on basis of free enterprise—only system likely to appeal to self-reliant young Canadians — warns against theorists who ignore great advances made under present system

ENDORSES PLAN TO RELIEVE PERSONAL INCOME TAX PAYERS FROM EIGHT MONTHS' LAG IN COLLECTION

Sydney G. Dobson, Vice-President and General Manager, reports assets over $1,291,000,000, highest in bank's history — liquid position exceedingly strong — war adds heavily to routine duties of banks.

BANKING SERVICES WELL MAINTAINED DESPITE STAFF DIFFICULTIES

The Seventy-fourth Annual General Meeting of the Shareholders was held at the Head Office in Montreal on Thursday, January 14th, at 11 a.m., Mr. Morris W. Wilson in the Chair.

PRESIDENT'S ADDRESS

Mr. Wilson, the President and Managing Director in moving the adoption of the Directors' report, said:

Before proceeding with the ordinary business of the meeting, I wish to refer with regret to the loss that our Board sustained during the year in the death of two of our colleagues, Mr. W. H. McWilliams and Mr. A. McTavish Campbell. These gentlemen were Directors since 1918 and 1919, respectively, and rendered valuable service in promoting the welfare of the bank. We sincerely mourn their passing. At a later stage today we shall ask you to add Mr. Cyril W. Stairs of Halifax to our Board.

The General Manager has just submitted the seventy-third Annual Report and Balance Sheet of the bank, with detailed explanations. I do not propose to cover the same ground. The Balance Sheet will, I am sure, be received by you with satisfaction. It discloses not only an exceedingly strong position, but indicates the important part we are playing in financing the war-time requirements of the Government, and our customers generally. Unfortunately, increased activity in our operations did not result in increased benefits to our shareholders, for the obvious reasons referred to by the General Manager.

CANADA'S PROUD RECORD.

During the past year business in practically all lines has been operating at top levels. The official production index for the first ten months of 1942 was approximately 200 compared to 160 for the corresponding period of 1941. The manufacturers of weapons and other materials of war continue to set new records. Canada harvested the largest wheat crop in her history despite a Government bonused restriction of acreage. Record crops were also harvested of oats, barley and rye. The immediate problem facing the farmer is that of storage and markets. It may well be that the problem of markets will not be satisfactorily solved until we reach the post-war period of world rehabilitation. Meantime, it is a matter of satisfaction to know that the so-called drought areas of Western Canada can produce abundant crops given normal precipitation.

The demand for meat and dairy products, especially from Great Britain, has been enormous. Happily Canada is able in this respect to continue her important contribution to the war effort.

Mineral production in 1942 established a new high record at $564,000,000, despite a reduction of $20,000,000 in that of gold. Gold as a metal is not used in war production, and its monetary function has been temporarily submerged by the enormous credit transactions between nations — for example, the system of Lease-Lend in the United States. It was therefore to be expected that it would be found increasingly difficult for gold producers to secure steel and other material requirements, or to retain manpower needed in the expansion of essential base metal mining as well as war production generally. It is to be hoped, and I think expected, that gold mining will resume its normal place in the Canadian economy at the end of the war.

Lumbering, the operations of which have been hampered by the loss of manpower, is under pressure to meet extraordinary demands, both domestic and foreign. Special steps have had to be taken by the authorities to ease the manpower situation, so as to ensure the fullest possible supplies to our allies.

The output of the fishing industry continues to meet a ready sale.

Needless to say, the war continues to overshadow and dominate all our activities. Happily it would seem that after dark days of disappointment due to our state of unpreparedness, the turn of the war has probably come. That there are long, and possibly grim days still ahead of us, I do not doubt, but I have always felt that once the tremendous productive power of the United Nations came fully into play, the tide of battle would of necessity turn in our favour.

WAR COSTS AND TAXES

The part of Canada in this war of production is one of which we may well be proud; not the least is the manner in which industry has wholeheartedly co-operated in the mighty effort. The conversion of a peace-time to a war-time economy in the United States has, we must hope, now been practically accomplished. Figures announced from Washington from time to time indicate that notwithstanding constant difficulties the war program in that country is proceeding at an amazing pace. Never in the history of the world have expenditures been on such a scale. The war of 1914-18 cost Canada, in direct war expenditures, $1,350,000,000. The latest estimate is that in this war we shall have spent over $6,000,000,000 by the end of our fiscal year next March 31st. Direct war expenditures of the United States in 1917-18 were approximately $24,000,000,000. They are now spending one quarter of this amount every month, with the trend still sharply upward. Such expenditures naturally entail enormous increases in the Public Debt as well as in current taxes.

A great deal is being said nowadays regarding the method of collecting personal income taxes. In Canada we have in a sense a "pay-as-you-go" plan, and an improvement of our plan is being strongly advocated in the United States. However, as stated, it is only in a sense that we pay as we go in Canada, because eight months of the year had already elapsed before the system was started last September. This means that the taxpayer will always be eight months in arrears in his payments. When taxes were so very much lighter than they are at present, this probably was not of great importance. Today, however, this eight months' lag creates a most serious difficulty so far as the individual taxpayer is concerned, and cannot be in the best interests of the country. If a man dies, or has to retire, or his income is materially reduced for any other reason, this extra tax liability becomes a burden that may easily be unbearable.

So long as the Government, through Parliament, retains the taxing power, a cancellation of taxes for the eight months involved need not result in any diminution of revenue to the State. It would only become necessary to retain the higher scale of taxation for a somewhat longer period, and at all times the Government would then be collecting its taxes from current earnings, and not on earnings of the preceding year.

In the interests of maintaining the morale and consequently the fullest efficiency of our people in the difficult reconstruction years ahead, I sincerely hope that the Government will respond favourably to the many representations that are being made to it on this subject. Taxpayers understand clearly the necessity for the extraordinarily high imposts that have been made, but it would be unfortunate if they were allowed to continue under a sense of injustice in the method of their collection.

POST-WAR PLANS.

Quite noticeable of late has been the emergence of persons and groups who agitate the public mind as to what sort of economic conditions we are going to face after the war. For instance, there are well-meaning men who are inclined to frighten themselves and others by speculations and predictions based on theory alone. And there are demagogues who seek to terrify people by prophesying so dire a dislocation of our time-tested system of free enterprise as to tempt some Canadians to throw up their hands, scrap the whole business, and resort to revolutionary change. Now I do not ridicule the views of a man upon the sole ground that he is a socialist or a demagogue. But I think it is timely to point out that those who create present fears of post-war revolutionary change are for the most part theorists of one kind or another; or revolutionaries whose philosophy is, in essence, totalitarian. The theorist tends to ignore the facts of experience; the demagogue is an agitator for political or mercenary purposes.

It is not enough, however, for the ordinary man to dismiss offhandedly the current agitations about our post-war future. Merely to call a man a visionary, a theorist or a demagogue settles nothing, and conveys to the public no sense of the worth of the institutions such a man is attacking. For my own part, I am convinced that leaders in all lines—agriculture, labour, manufacturing and merchandising — all who believe in free enterprise as the very foundations of the system of democracy for which we fight, must shoulder their responsibility and prove their case to the public. Economic changes affect all citizens in greater or less degree, and this must be recognized by theorist and demagogue alike.

There are plenty of hard-headed people in Canada who, for instance, have money in the bank; there are more than five million deposit accounts, totalling more than $3,300 million. Your bank alone has substantially over one million deposit accounts. There are more than three million Canadians holding their country's Victory Bonds, War Savings Certificates or other government obligations. There are more than four million individual holders of life insurance policies in Canada. All these—depositors, Victory Bond-holders and insurance policy-holders, ordinary people of Canada—are the people who, alert to their own well-being, will make the final decision. They will tell the theorists and agitators what changes are acceptable in the mode of life which, with all the faults it may possess, has produced these savings and these bulwarks of personal and family security. These are the people who must be considered by those who seek to influence the course of events.

FREE ENTERPRISE

Can meet the challenge of post-war planning

Speaking of post-war social and economic planning, Mr. Wilson said, "Assuming intelligent co-operation on the part of government, free enterprise, which has already provided for the people who live under it the greatest degree of comfort and security in the world's history, can meet the challenge of the post-war world. It can, by accepting further social responsibility, save the people from the evils that accompany state control—obliteration of private life, destruction of personal freedom, elimination of individual incentive, and the extinction of those extra gains which fairly go to those who work specially hard.

"Free enterprise, with its wealth of experience, established position, and wide resources, is the only system known to us under which the job can be done. The prophet who now foretells that our whole system will be swept away in favour of some economic heaven and earth as yet unformed, is not only misguided but dangerous. He is dangerous because his preachings interfere with confident concentration on the war effort, and they are menacing to the practical solution of the problems of peace.

"Changes must take account of realities rather than theories. When this war is won, the soldier will wish to get back to his everyday life; the farmer will still want to own his farm; the small house-owner will desire to retain his ownership; the retailer, the wholesaler, and the manufacturer will be found as anxious as ever to carry on their own branches of our free enterprise; and the three million thrifty holders of their country's bonds will still look for, and be entitled to, their interest earnings.

"The idea of profit, which is merely payment for work and initiative, is deep-rooted in human nature, and after the war it will still motivate individuals and corporate bodies. In progressive countries, development is constant. As to sudden, revolutionary change which would uproot the economic system, upset the mode of life and disperse the savings, investments and insurance of the people of this nation, I think the proposition needs only to be stated to reveal its folly. At the same time, it is dangerous to allow its propaganda to go on unanswered."

BENEFITS OF FREE ENTERPRISE

Business is faced with responsibility for retaining the confidence of the vast body of common-sense Canadians, using the full weight of facts that can be drawn from experience. The weakness of those who theorize about post-war economy often lies in their lack of practical experience of business and their disregard of the widespread, undeniable diffusion of the benefits of free enterprise in the form of rising standards of living. This experience and these facts are readily available. Business should assemble and analyze them, and present to the public their irresistible conclusions, showing the true intent and ability of the system of free enterprise to do the things that need to be done. That is the only real way to carry the judgment of the people.

Business, as I have said, must become vocal. Against the facts of experience, the theorist and the demagogue cannot possibly make the convincing case which Canadians demand; because it is the common-sense and the enlightened self-interest which Canadians have brought to bear on their problems of the past that will determine the economic progress of the future. It is to that Canadian common-sense that I pin my faith.

Now let me say that of course there is no finality in a system of free enterprise. Everyone realizes that time brings about modifications based upon experience. The whole economic system and our institutions of free government are the results of evolution. They developed through changes due to the spread of knowledge, to science, to invention, yes, and, unfortunately, even to war. This war has brought changes; it will bring more; and some of them inevitably will remain. There must and will be development, particularly in the realm of maximum employment and freedom from want.

In this connection let me add that I believe there are certain new duties falling upon business. The splendid record of progress established during the past century must be continued, and advancement must be speeded up, but that is not enough.

The ordinary people of the world are convinced that there are sufficient resources to provide a greater measure of happy living for all. They will look to some agency, at the war's close, to avert mass unemployment, the greatest menace they can imagine. No pretentious plans for pensions, nor all the social security measures devised by governments, will be effective without a solution of the employment problem.

In view of their stake in the country's continuing welfare, the farmer, the wage-earner, the merchant and the manufacturer must actively join the other elements of the community in studying and analyzing the problems of the post-war period, and in making plans to deal with them effectively. They must not be content with the role of arm-chair critics, any more than they dare sit idly back while their present security and their future hope are destroyed.

What I have just said has particular reference to our internal economy, but it is equally necessary that serious thought be given to our post-war international position. I do not agree with those who believe that we should be so preoccupied with the things of war that we have no time for thinking of the reconstruction that will follow. We were unprepared for war when it came, do not let us be unprepared for peace. I do not suggest that a pattern can now be devised that will fit every conceivable set of conditions we may be faced with at the conclusion of the war. But frank and full discussion of the problems to be solved must result in a clearer understanding of them, and facilitate their solution when the time comes.

Naturally considerations of this sort must not be permitted to interfere with the most active and energetic prosecution of the war. Nor need there be any interference, because the same men are not necessarily engaged on both problems. We are pledged to an "all out" effort, and nothing must distract our attention. The exploits of our gallant sons and brothers, at sea, on land, and in the air, thrill us with pride. They must not be let down. We must support them to the utmost limit while they are fighting our battles, and do everything in our power to see that the country they come back to will be well worth the sacrifice they are making.

Except for the heroic stand of Great Britain two and a half years ago, these would be dark days for civilization. But Britain did stand, and now these great nations—the British Empire, the United States, China and Russia — have started their climb out of the dark valley into which treacherous attacks had thrown them. They will emerge a living light of hope to all peoples. I have faith in our destiny.

1,876 OF STAFF IN UNIFORM

Large percentage of Royal Bank men in Canada under 45 on active service

Mr. Dobson paid tribute to the large number of the Bank's Staff now serving with His Majesty's Forces. "We are proud," he said, "of the contribution made by our staff to the armed services. Since the outbreak of war we have granted leave of absence for military service to 1,876 men. Of this number, 1,792 enlisted from Canadian branches, and this is equivalent to well over half of the male staff under 45 years of age at the outbreak of war. I am sure I am voicing the feeling of the shareholders when I say that we wish a safe return to these men who are serving their country so patriotically.

"Unhappily there have been casualties. Thirty-four of our young men, whose names are recorded in the printed proceedings of this meeting, have given their lives in the service of Canada. These names are held in honour, and we pay tribute to their memory."

GENERAL MANAGER'S ADDRESS

Mr. Sydney G. Dobson, Vice-President and General Manager, referred to the financial statement as follows:

The Annual Report and Balance Sheet before you today give evidence of substantial growth during the year under review. The totals shown under a number of headings have reached record levels as a result of Government wartime financial policy and the present high tempo of business activity arising out of Government spending for war purposes. However, this expansion in our figures has not resulted in higher earnings for shareholders; in fact, relatively low yields on our heavy investments, principally in Government bonds, combined with increased taxes, have resulted in somewhat lower profits than in previous year.

After providing for $2,014,166 taxes to the Dominion Government, an increase of $121,941 over the previous year, profits were $3,390,123, a decrease of $145,805 as compared with a year ago. This amount added to $3,209,074 brought forward, makes available for distribution $6,599,198. Dividends paid amounted to $2,625,000, a contribution of $315,000 was made to the Pension Fund Society, and $400,000 was written off Bank Premises, leaving $3,259,198 to be carried forward in Profit and Loss Account.

The decrease in our net income made it impossible to maintain our former dividend rate of 8 per cent. out of current earnings, and your Directors decided to reduce the rate, beginning with the last quarter of the year, to an annual rate of 6 per cent. Bank shareholders during the past 12 years have had their dividends reduced more drastically than those in most other lines of business. In 1930 this bank paid a dividend of 12% and a bonus of 2%—14% in all. Since then our shareholders' income has been cut on four different occasions, until the present rate of distribution is less than half of what it was in the year mentioned. The experience of shareholders of other banks has been very similar.

When increasing the capital of this bank over the period of many years since it was started, shares for the most part were issued to the public at a premium. In one case a substantial block was sold as high as $250 per share. Striking an average, we find that $183 was realized for all the shares issued to the public. This means that on the basis of today's dividend, the return is only 3.27 per cent. on the money paid into the bank, which, it must be agreed, is very modest indeed.

ASSETS AT RECORD LEVEL.

Total Assets are now $1,291,615,946, an all-time high in the history of the bank, and an increase during the year of $216,496,183. Our liquid position is naturally very strong. Cash on Hand and Balances Due by Banks aggregate $202,975,720, and Dominion and Provincial Securities are held to the value of $519,801,345. Adding to these Other Securities, Cheques on Banks, and Call Loans, we have Total Liquid Assets of $906,440,239, representing 75.44% of our Total Liabilities to the Public.

Our holdings of Dominion Government Securities increased during the year $185,810,130 and now total $427,780,076. To assist the Government in its war financing, the banks agreed last August to purchase from the Government, six-month Deposit Certificates to the amount of $645,000,000 at the very low rate of ¾ of 1% per annum. Our share of this total was $159,030,000. Shortly before November 30th the Government retired a portion of these certificates. Our share of the amount repaid was $51,660,000 leaving $107,370,000 outstanding at the date of our Balance Sheet. These transactions account for a considerable portion of the increase in our Government portfolio.

COMMERCIAL LOANS.

Commercial Loans in Canada expanded during the year $13,365,555, and are now $255,148,401. Included in this amount are temporary loans of $42,971,183 to assist purchasers of Victory Bonds. As there was but a small total of such loans current at the end of the previous year, it will be seen that ordinary commercial loans are considerably lower as compared with a year ago. Considering the tremendous expansion in business activity throughout Canada, the situation is anomalous, but the explanation is that the expansion is largely in connection with war work. This is either financed directly by the Government, or because of prompt settlement of monthly or fortnightly accounts, the manufacturer is able to finance without any, or at any rate very moderate, assistance. There has never been a period in the history of this bank—and I may say a similar situation applies to the other banks—when the ratio of commercial loans to deposits has been so low. The outlook in this respect is not encouraging, as unfortunately the tendency seems to be for the Government to extend its policy of directly financing industry engaged in war work.

Commercial Loans Outside Canada declined $16,277,672 to $59,276,982.

On the Liability side of the Balance Sheet, Total Deposits now stand at $1,181,217,192, an increase during the year of $325,112,996. Of our Deposits, $929,039,940 are in Canada, and $252,177,252 at foreign branches.

The usual appropriations totalling $800,000 were made against real estate holdings, $400,000 being applied to reduce Bank Premises Account, and $400,000 to reduce the indebtedness of our property holding companies. No important expenditures were made on our premises and some properties formerly occupied by branches were sold. As a consequence, our Bank Premises Account shows a reduction of $587,653. Sales of non-banking properties enabled us to reduce "Real Estate Other Than Bank Premises" by $540,766.

FOREIGN BRANCHES

In the printed report of the proceedings of this meeting being mailed to shareholders will be found a review of conditions in Canada and other countries in which we have branches. Statistics with regard to some of the foreign countries will not be as complete as usual for the reason that under existing conditions their publication and circulation have been somewhat curtailed. I am pleased to say that our foreign branches have had another successful year. This is particularly true of those in South America. While the overseas trade of South American countries has been reduced, they have turned to one another for both markets and supplies. The immensity and diversity of their resources have enabled them to contribute to a very substantial gain in inter-American trade. The branches of this bank, located as they are in many of the principal republics, have been able to assist in the growth of this trade with advantage to the countries in which they are located as well as to the business of the bank. Canada is broadening her relations with the Latin-American Republics by further appointments of diplomatic representatives, and our branches in these countries stand ready, as always, to co-operate in this development.

The Islands of the Caribbean have also felt the consequences of disturbed shipping, although the entire sugar crops of Cuba, Haiti, the Dominican Republic and the British West Indies were purchased by the British and United States Governments and paid for in advance of shipment. On the whole it can be said that business in these Islands has been reasonably satisfactory.

BRANCHES CLOSED

In conformity with the Government's wish to conserve manpower for war purposes, and to curtail unessential services, the Canadian banks have, during 1942, closed 157 branches, and the program calls for the closing of a further number. During the calendar year your bank has closed 39 offices, some under exchange arrangements with other banks. The closing of such a number of branches does not mean the lessening of business for the bank; rather it is a consolidation of business. When one of our offices is closed, and the business transferred to another bank, that bank in turn transfers to us the business of a branch of corresponding size. In other cases, when we close a branch the business is transferred to one of our other offices, so that on the whole the volume is maintained. We realize that the closing of branches is an inconvenience to some of our customers, but I am sure they will appreciate the fact that the exigencies of war necessitate such steps.

During the war period our staff in Canada has increased from 5,165 to 6,049, the new members being almost all young women. Our male staff is now reduced to 38 per cent of the total and it is not uncommon to find that at a branch with 15 to 20 employees there are only 4 or 5 men. I cannot speak too highly of the manner in which these new members of our staff, many without any previous business experience, have carried on their duties, often under difficult conditions. Routine work has increased as a result of war activity. The handling of Victory Loan applications and the negotiation of coupons alone entail a great deal of additional work and the volume of cheques in circulation has grown considerably. Many of the young women recently engaged are called upon to assume responsibilities which under normal conditions would be performed by experienced men. This means that the senior officers, in addition to looking after their own duties, must devote much time to supervision and training.

For the reasons I have mentioned it is not always possible to give the public the service to which they have been accustomed. However, the difficulties of providing an efficient banking service under war conditions have been lightened by the understanding and co-operation of those we serve. We confidently expect that this co-operation will continue, with our customers bearing in mind the inexperience of our staff, and eliminating as far as possible unnecessary banking transactions. A moderate reduction in the number of cheques issued would in itself mean a considerable saving in the volume of routine work.

Since I appeared before you a year ago, much has happened in this war-torn world, much that we can look back upon with justifiable pride and gratification. Canada has emerged as a full-fledged fighting nation. We have a thoroughly equipped army ready to strike when the time comes, a powerful naval fighting force, and a mighty air-force which in personnel and equipment is unsurpassed. Our industries, which before the war were engaged solely in peace-time pursuits, have accomplished the almost incredible in production of war material and ships. Your bank has taken its full part, along sound lines, in this expansion. With all this we have much to be thankful for—above all else that the tide of battle, which for so long had almost consistently gone against us, has at last turned, and we can now look forward with firm confidence to realization of our hopes of a victorious and lasting peace.

HIGHLIGHTS

Mr. Wilson said:

Under the present plan of collecting personal income taxes the taxpayer will always be eight months in arrears in his payments. This lag creates a most serious difficulty so far as the individual taxpayer is concerned and cannot be in the best interests of the country. So long as the Government retains the taxing power, a cancellation of taxes for the eight months involved need not result in any diminution of revenue to the State. It would only become necessary to retain the higher scale of taxation for a somewhat longer period, and at all times the Government would then be collecting its taxes from current earnings and not on earnings of the preceding year.

It is the common-sense and the enlightened self-interest which Canadians have brought to bear on their problems of the past that will determine the economic progress of the future. It is to that Canadian common-sense that I pin my faith.

The whole economic system and our institutions of free government are the results of evolution. They developed through changes due to the spread of knowledge, to science, to invention, even to war. This war has brought changes; it will bring more; and some of them inevitably will remain. There must and will be development, particularly in the realm of maximum employment and freedom from want.

The ordinary people of the world are convinced that there are sufficient resources to provide a greater measure of happy living for all. They will look to some agency at the war's close to avert mass unemployment, the greatest menace they can imagine. No pretentious plans for pensions, nor all the social security measures devised by governments, will be effective without a solution of the employment problem.

Mr. Dobson said:

When increasing the capital of this bank over the period of many years since it was started, shares for the most part were issued to the public at a premium. In one case a substantial block was sold as high as $250 per share. Striking an average, we find that $183 was realized for all the shares issued to the public. This means that on the basis of to-day's dividend, the return is only 3.27% on the money paid into the bank, which, it must be agreed, is very modest indeed.

I am pleased to say that our foreign branches have had another successful year. This is particularly true of those in South America. Canada is broadening her relations with the Latin-American Republics by further appointments of diplomatic representatives, and our branches in these countries stand ready, as always, to co-operate in this development.

Our male staff is now reduced to 38% of the total and it is not uncommon to find that at a branch with 15 to 20 employees there are only 4 or 5 men . . . For the reasons I have mentioned it is not always possible to give the public the service to which they have been accustomed. However, the difficulties of providing an efficient banking service under war conditions have been lightened by the understanding and co-operation of those we serve. We confidently expect that this co-operation will continue, with our customers bearing in mind the inexperience of our staff, and eliminating as far as possible unnecessary banking transactions.

Doctor Gives Viewpoint On Women in Factories

Says it is Essential That They Should be Medically Examined in Relation to Specific Job; Safety Regulations Needed

Employers hiring women for factory work should insist on two things—a thorough medical examination of the prospective employee and safety regulations which govern the type of clothing to be worn on the job.

So writes Dr. C. F. Long, chairman of the committee on industrial health of the Medical Society of Pennsylvania, in the Executives' Service Bulletin published by Metropolitan Life.

"The first consideration," he writes, "is physical condition. It is essential, and I have chosen the word from experience, that a woman have an adequate physical examination before she be placed in a job. The first prerequisite of a good pre-employment examination is the job specification, so that the physician can know in complete detail the kind of position the applicant is to fill. He cannot vizualise this from the distant office chair; he must be invited to the factory, watch the work process in action, and see for himself exactly what is required. The physical examination will then become a real effort at proper job placement. . . .

"Having passed the physical examination for a certain job and having been placed in that job, attention must be paid to the matter of accident prevention. . . . Management must see to it that women's apparel at the machine is as safe as that of most working men.

Flowing Tresses Out

"A very important consideration in factory work is that the female of the human species delights in adorning herself. Be that as it may, management, for obvious reasons, cannot allow long-sleeved blouses with frills down the front. Also, the hair must be either bobbed or worn close to the head for the very good reason that a machine is a much more efficient scalping device than an Indian. The whole problem is best solved by specifying a short-sleeved covering uniform with skirt falling just to or below the knees, and a cap to match."

Dr. Long urges sensible shoes for women factory workers, because high heels lead to accidents. The rules, he says, should prohibit wearing jewellery.

"We do not allow jewellery of any kind to be worn at work, and that includes wrist watches and wedding rings," he reports. "It took courage to go all out on this rule, but we hewed to the line. We prefer to prevent accidents rather than salvage their effects. A woman's hand minus the ring finger is a most unpleasant sight."

The weight of a woman should be considered when she is being engaged, says Dr. Long. His plant will not hire a woman weighing more than 200 pounds. Experience has shown that women who are very fat are a bad accident risk.

"I have often been asked whether machine work does not make women nervous," he writes. "My experience has been just the contrary. The routine of the machine seems particularly pleasing to them. They are not fatigued by it, and I think that they enjoy the companionship of working with women."

Dr. Long has found nervousness in women factory workers due either to disease or domestic difficulties—difficulties that run from teething babies to ungrateful husbands to troubles with the boy friend.

He believes plant executives will be well repaid by interesting themselves in nutrition and having employees instructed as to proper diet both in the factory and at home.

He also advocates an interest in the mental health of women, and points out that industrial psychologists have already amassed much data to help the female worker meet her problems.

Accountant Advocates Changed Tax Policy

The present allowances permitted to companies under the income and excess profits tax for inventory reserves are inadequate, is view of Frank S. Capon.

In a recent issue of the Canadian Chartered Accountant, he gives three reasons why he thinks so:

1. Quantities of materials on hand have to be far greater than the adjusted average permitted by the tax department, due to the volume of wartime operations.
2. No reserve is allowed against materials required to fill direct or indirect war orders not within a company's normal commercial business.
3. No reserve is allowed to companies taxable at the minimum 20% rate.

Another serious objection to the present reserve provision, according to Mr. Capon, is that the amount allowed must be computed on the basis of specific inventory items, listing each by years from 1936 to 1939 in order to arrive at the average. A tremendous amount of clerical effort is thus involved.

He admits that the income tax division is justified in keeping allowable reserves to an absolute minimum on the ground that, though substantial reserves may be allowed at the top tax rate under the present act, it is quite possible that losses may be low or never incurred. If this happens the amount previously allowed will be added back to taxable income but it is quite possible that the company will be taxable at the minimum rate at that time.

Suggests Alternative Plan

Mr. Capon suggests an alternative method of accounting for inventory losses for taxation purposes. He would have only actual losses allowed as a deduction, as in pre-war years. These losses must, however, be allowed at the rate in effect when they were incurred instead of when they were realized. Under the present "minimum and maximum" excess profits tax set up, the tax rate suffered by any one company may fluctuate violently and also there may be no taxable income at the time the loss is realized.

Mr. Capon proposes that the present inventory reserve provision in the Excess Profit Tax Act be repealed and a revision to the pre-war tax treatment of such reserves made. Income and excess profits taxes would then be calculated and remitted before making any adjustment for inventory values, regardless of possible losses at some undetermined future date.

Both Sides Gain

He feels that the first step would be welcomed by the Income Tax Division in that it would produce greater revenues and eliminate the necessity to check reserves each year. Industry would gain through saving the clerical effort necessary to compute each year's reserve, but would lose the advantage now held through withholding tax on the reserve claims.

As a second part of his proposal, Mr. Capon would have tax assessments reopened at the time inventory losses are actually suffered, so as to enable deduction of appropriate amounts from taxable income in the periods for which losses were incurred. These would be the periods when the inventories in question were purchased.

Such a procedure would involve some clerical work to ascertain the date of purchase and purchase prices of materials on hand at any given date.

Revise Inventory Valuations

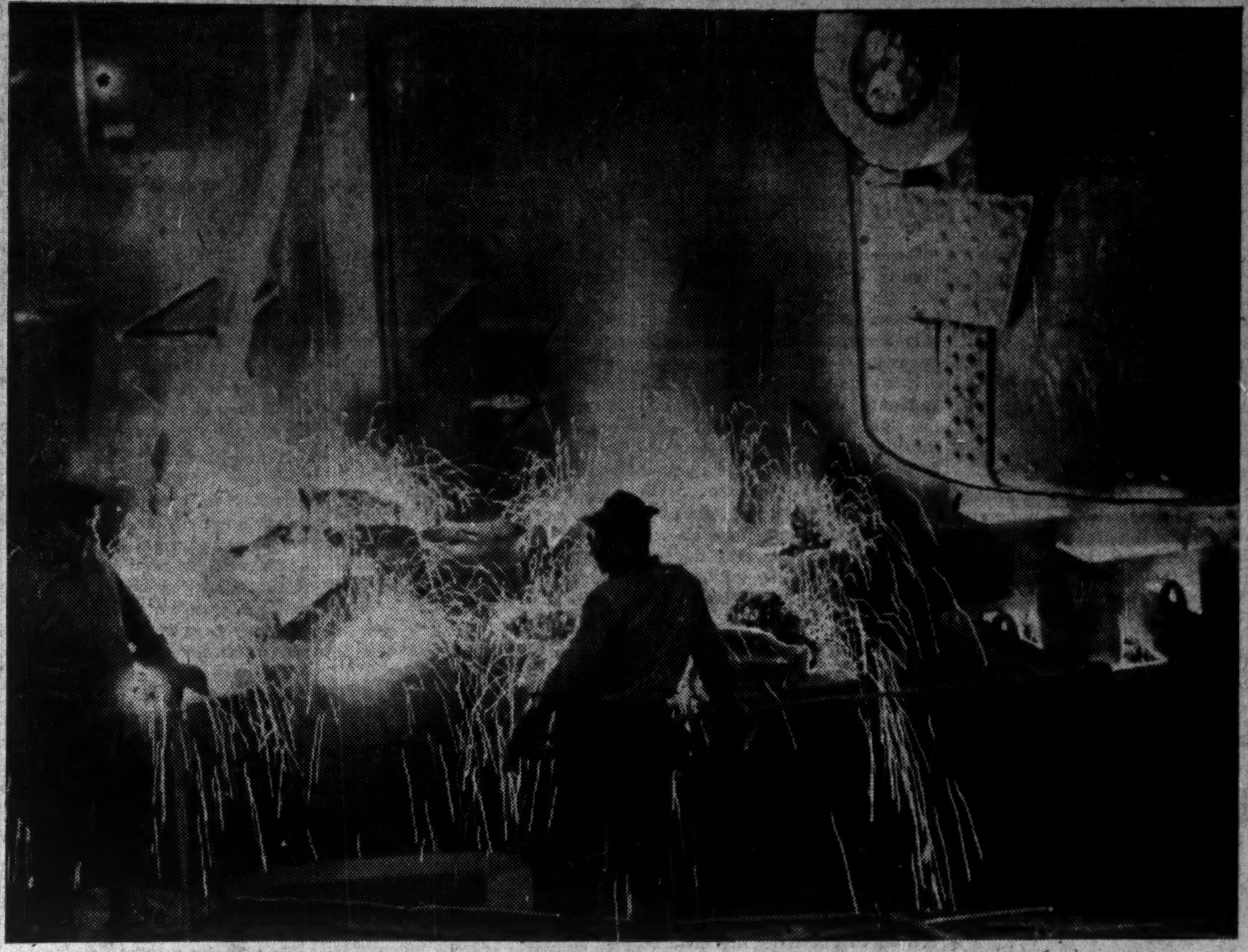
It would probably make necessary adoption of the "first-in, first-out" basis of inventory valuation. Mr. Capon does not hold that it would be practicable to allow companies to keep assessments open indefinitely, and suggests that a one-year limit could be applied.

In support of his proposal Mr. Capon argues that it would:

"Enable all companies to charge inventory losses against high wartime profits, including those companies that are now taxable at the minimum 40% combined rate. It would enable all companies to claim the full amount of any loss at the tax rate in effect when inventory was acquired, thus avoiding the present risk of suffering losses far in excess of allowable reserves. It would also allow companies to recover losses on the total inventories, and not only on that part equal to the average quantities on hand during the standard period. At the same time, the government would collect substantially greater revenues in wartime and would allow only actual losses as charges against taxable income, thus being able to revert to the pre-war tax policy of disallowing all contingent reserves."

Chesterville Larder Lake realized a net operating profit of $35,468, before taxes, in the three months ended Dec. 15, 1942. During the last quarter there was a considerable improvement in the grade of ore and it is anticipated that this will continue in the new year. Production of $276,212 in the most recent quarter was secured from milling 55,862.5 tons of ore.

THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, January 23, 1943



The Basic Issue—High Steel Wages or Control of Inflation?

Will the Steel Unions Wreck the Ceilings?

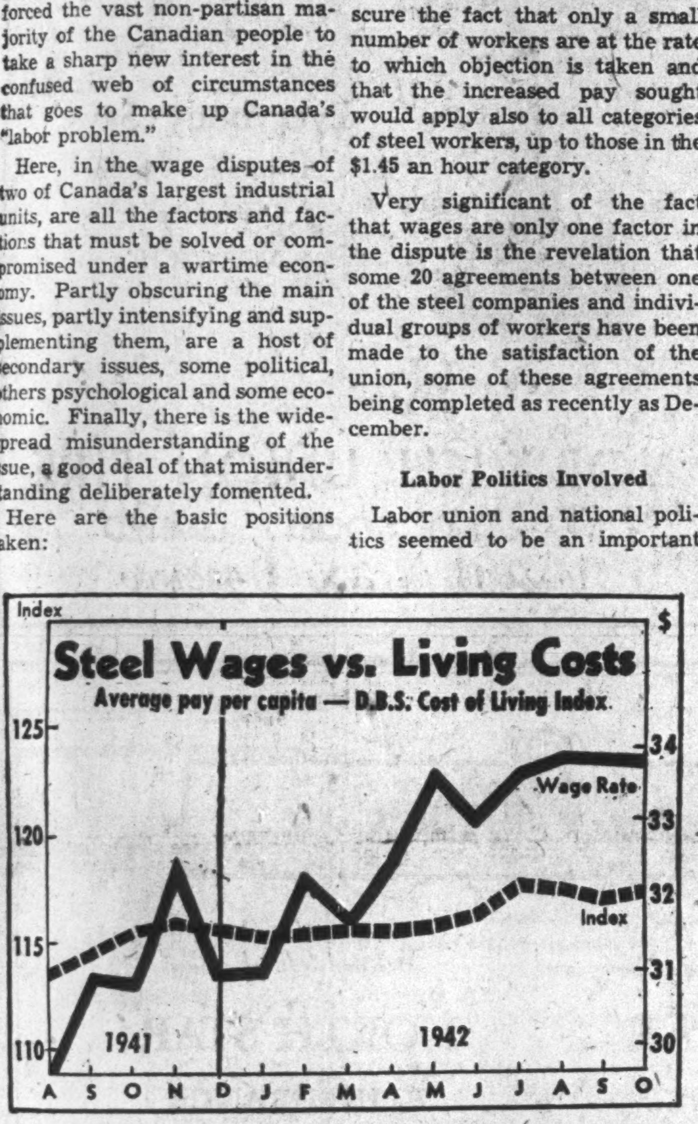
Out of the Welter of Side Issues, Politics and Contradictory Claims, the Basic Issue Appears—Are we to Abandon the Fight Against Inflation?

By W. B. MacKINNON

Whatever the outcome of the strikes in steel industries at Algoma and Sydney, the dispute has forced the vast non-partisan majority of the Canadian people to take a sharp new interest in the confused web of circumstances that goes to make up Canada's "labor problem."

Here, in the wage disputes of two of Canada's largest industrial units, are all the factors and factions that must be solved or compromised under a wartime economy. Partly obscuring the main issues, partly intensifying and supplementing them, are a host of secondary issues, some political, others psychological and some economic. Finally, there is the widespread misunderstanding of the issue, a good deal of that misunderstanding deliberately fomented.

Here are the basic positions taken:



Since 1941, steel pay envelopes have grown over 13%, cost-of-living index over 3%.

By the Unions and the minority Barlow Report—That wage increases are essential for all steel workers in all categories.

By the Regional Labor Boards and the Barlow Commission majority—That wage increases are justified in certain categories, but that the basic rate for lowest paid workers must not be raised, since it is not a substandard wage; that an increase for steel workers would be no more justified than an increase for all industrial workers, which would mean smashing down the whole wage-ceiling policy.

Next fact necessary for appraisal of the issue is that only about 100 workers at Algoma and a slightly higher number at Dosco are employed at the basic rate, all others being paid at higher rates. Coming in at the basic rate are new workers who will stay at that rate a relatively short time.

Spokesmen who are loudly proclaiming the hardships for workers at the basic rates have tried to obscure the fact that only a small number of workers are at the rate to which objection is taken and that the increased pay sought would apply also to all categories of steel workers, up to those in the $1.45 an hour category.

Very significant of the fact that wages are only one factor in the dispute is the revelation that some 20 agreements between one of the steel companies and individual groups of workers have been made to the satisfaction of the union, some of these agreements being completed as recently as December.

Labor Politics Involved

Labor union and national politics seemed to be an important factor in the situation.

First, there is understood to be vigorous competition between the United Automobile Workers and the Steel Workers of America for dominance in the Canadian set up of C. I. O. unions.

The Automobile Workers which recently staged the strike at Ford of Canada and this week's strike at Wilson Motor Bodies, near Toronto, has been moving aggressively for membership. It has recently been claiming loudly that its strike at Ford won equal pay for equal work, regardless of sex, despite the fact that the achievement falls far short of the claim.

The Steel Workers of America, which still has some important Canadian plants to win over to its membership, is widely regarded in labor circles as moving at Algoma and Dosco in order to try to keep pace with the auto union and to strengthen its position for an appeal to workers in other plants.

National political considerations come into the picture because of the intense hatred many unions hold for the present Minister of Labor, Humphrey Mitchell. He is blamed for the union failure in the Kirkland Lake gold mines. Union representatives say he "has never had the confidence of organized labor."

Another political aspect is the place of some prominent C.C.F. figures in the picture. Eugene Forsey, formerly teacher at McGill University and long in hot water for his far left views, last year became research statistician for the steel workers union. King Gordon, son of author "Ralph Connor," another left wing teacher and defeated C.C.F. candidate, left his teaching post in a Montreal college to go with a U. S. book publishing house. A confrere of both, Frank Scott, another Montreal college teacher, has become national secretary of the C.C.F.

When a specifically labor union representative on the Barlow Commission was required, there was widespread interest in the fact that the man selected was the ex-C. C. F. candidate, now book publishing executive, King Gordon.

Both in Canada and the United States A.F. of L. unions have sedulously avoided strict identification with any particular party. In view of the declarations of allegiance to the C.C.F. from locals of both A.F. of L. and C.I.O. unions it now appears that organized labor in Canada is "going political."

The Wage Facts

Basic wage rate for unskilled or "common" labor at Algoma is 45½ cents per hour, which, with a five-cent cost of living bonus, gives a total of 50½ cents per hour. At Dosco the rates are 43½ cents and nine cents for a total of 52½ cents. Employees of both companies are asking for an increase in the basic rate to 55 cents per hour. This would automatically eliminate the cost-of-living bonus, since bonuses only apply in relation to the increased cost of living since the date of latest pay increase.

The demand for increased basic rate involves not only the workers now on the minimum rate but all grades of steel workers.

The increases asked at Algoma range from 9½ cents per hour for employees receiving 75 cents per hour or less, down to an increase of four cents per hour for employees earning over $1.45 an hour.

Dosco employees want increases ranging from 11½ cents per hour for those earning 50 cents or less, to eight cents an hour for those earning more than 80 cents.

Came up Last March

Applications for these pay increases went before the regional labor boards of Ontario and Nova Scotia, March, 1942. Neither of these boards was able to grant the increases. Following consultation with the National War Labor Board at Ottawa, the requests were refused, Dosco in July, and Algoma in August.

Outcome was the short-lived strike at Algoma, followed immediately by the appointment of the Barlow Royal Commission.

In the Algoma case the Ontario Regional Board heard representatives of management and labor shortly after the application was first filed in March. At that time management opposed the increases. But by August, four individual wage agreements had been reached between company and workers and were subscribed to by both.

The verdict of the Ontario board was that the question had not been "fully explored through the ordinary channels of negotiation," that the problem of pay increases for the lower wage categories could best be arranged "by the company and representatives of the employees sitting down and working out adjustments which are mutually agreeable and equitable"—the method used in the individual agreements just cited.

In the case of the four agreements worked out, the board was "pleased to confirm and approve the rates negotiated in all four of these instances," and to suggest that the two parties proceed along the same lines. The Post is informed that 16 additional agreements had been reached before the Barlow Report came down.

In other words, the Steel Workers of America Union did not meet a stonewall refusal to their petition.

Where they were turned down was in the application for a boost in the basic rate, the rate of pay at which unskilled labor starts work.

One basic reason for the decision was the fact that relatively few workers remain at this rate for any protracted period. Within the "unskilled" labor category at Algoma, The Financial Post is informed, are numerous subdivisions with wage rates ranging from the basic 45½ cents up to 57 cents an hour. In the whole organization, The Post is told, there are only some 700 employees in the unskilled category, and of these only 15% or around 100 are paid the bottom rate.

At Dosco substantially the same factors are at work, with only 10 to 15% of the employees receiving the basic rate. The wage structures of the two companies are different in detail, with the basic wage group somewhat more extensive in the Nova Scotia plant. This is at least partially compensated for by the fact that the Dosco basic wage is two cents per hour higher after allowing for cost-of-living bonus.

The situation in which the door was slammed on a basic rate increase and left open for negotiated increases in other categories was affirmed in most respects by the majority report of the Barlow Commission.

Why Turned Down?

Why was the basic increase turned down?

The basic rate affects a small part of the total working force.

The evidence did not prove to the Regional Boards or to the Barlow Commission that steel wages were substandard. Part of that evidence is displayed in the accompanying charts. They show that workers in the crude steel industry rank fourteenth in the roster of Canadian industry in weekly earnings. They show that weekly earnings of steel workers have increased 13.3% in a period when the living costs mounted 3.5% and that, for both companies affected, basic rates are at the high-level in history.

The majority report of the Barlow Commission adds that six out of eight Halifax companies in other types of industrial activity paid a basic rate of 43 cents or less, with a low of 37 cents; one paid 48 cents and one a range from 47 to 52 cents. In New Glasgow five companies showed a low labor rate of 34 cents and a high of 45 cents. The figures, taken from a Labor Gazette study released last November, include cost-of-living bonus and apply to 1941.

Were Setting the Pace

Although no figures are included in the study for Sydney, the Commission majority report was satisfied that the Dosco rates, rather than being below local standards, were actually setting the pace for the district.

Figures were also lacking for Sault Ste. Marie on the above basis, but from the same wage study the Commission quoted figures for unskilled labor in a variety of industries which put the steel wages in a favorable light. (All these figures, and many others on wages and hours, are available in "Wages and Hours of Labor in Canada, 1929, 1940 and 1941—Report No. 25, issued as a Supplement to the Labor Gazette.)

In the minority report of J. King Gordon these figures are not contested. The argument for higher wages is based on the claim that living conditions for steel workers are poor, hours of work are "inhumanly long" and high labor turnover and shortage of manpower has resulted. Mr. Gordon states that for specific periods more than 60% of the employees worked 56 hours or more in a week, while more than 50% of the Dosco workers were putting in over 56 hours. A great many worked 60 hours, he states, and some as long as 70 and 80 hours.

These long hours Mr. Gordon attributed to the manpower shortage at the two plants. He stated that the Algoma plant was short 400 to 600 men and had lost nearly 20% of the employees on the payroll at the beginning of 1942 in the first nine months of that year, without taking into account the employees who left to join the armed forces. At Sydney the number leaving in the period amounted to 18%, he said.

The manpower shortage at the two plants is, according to Mr. Gordon, attributable to low wages for work that is arduous and, in certain operations, hard on the worker's health.

Minority Vs. Majority

Mr. Gordon does not show whether the labor turnover rate and the manpower shortage are better or worse than in other industries.

The majority, Hon. Mr. Justice Barlow and James T. Stewart, took as their starting point maintenance of the established wartime policy of a wage ceiling and that any wage changes could only be adjustments under the ceiling bringing certain rates into line with going rates for certain jobs in certain industries in specific communities.

Following the by now fairly well defined pattern of judgment established by the Regional Labor Boards, the Barlow majority report recommended—

Wage increases for maintenance men (pipe fitters, electricians, carpenters and other craftsmen) employed by the mills;

That time and a half be paid for the seventh day of work in any one week;

That there be a careful study for a reclassification and an evaluation of jobs. This would probably mean increased pay rates for certain categories of workers;

That management-union-employee committees be established.

But the Barlow majority did not feel free to recommend that the ceiling be violated by raising the basic wage rate. All the other increases, they felt, came within the "substandard wages" authority of the ceiling regulations. Violation of the ceiling itself would be effected by applying Section 14 of P.C. 5963, by which in effect the National War Labor Board can wipe out the ceiling for a specific class of employees in a specific area.

Had One Precedent

Precedent for such action was the case of the spruce loggers on the Queen Charlotte Islands off B. C. In this case wages were increased one third over the regular rate, to boost output of aircraft spruce. It was felt such action was essential in view of the fact that by comparison with normal output almost an entire new industry had to be suddenly created in the islands.

The Barlow majority report held that this did not provide an adequate precedent, since the steel case affected only two of many industries "which are equally important to the war effort and all of which come within the powers of the various sections of P.C. 5963."

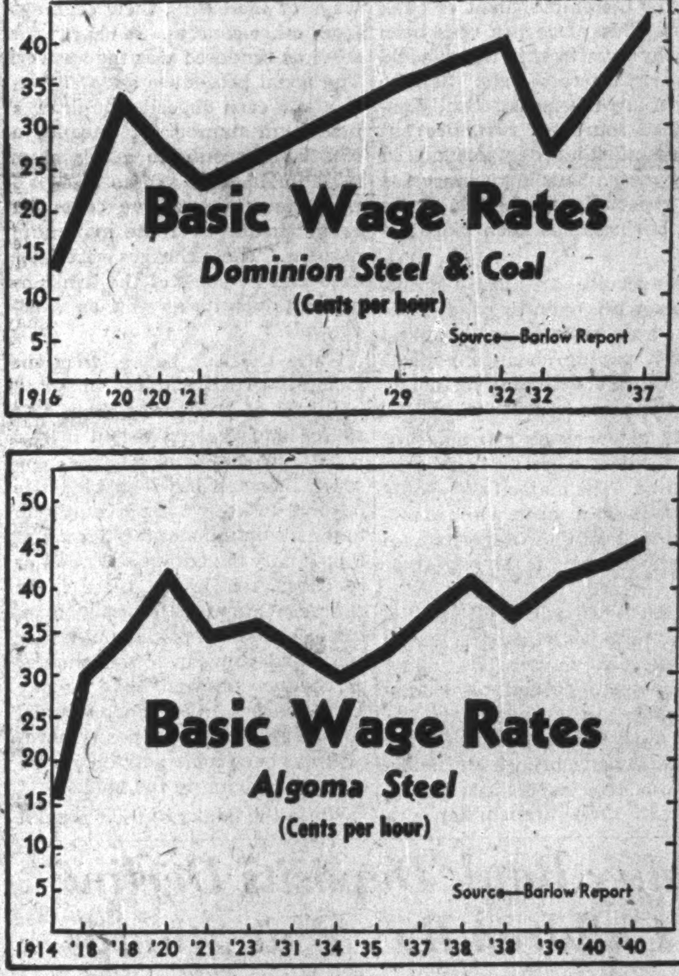
The inference is clear: that the majority felt that if ceilings were out for steel, they were out for almost all war industry.

Mr. Gordon claimed that steel output was the problem, that it could be solved by invoking the emergency clauses of labor regulation, and that the basic wage increase must go through since low wages are the crux of the problem.

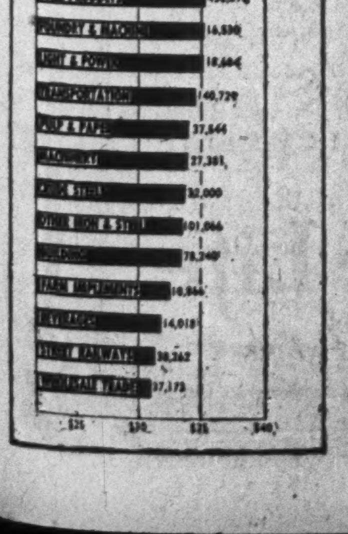
What then is the real reason for the strikes?

Men long familiar with the labor situation, some of them former organizers, blame the current crop of labor difficulties primarily on labor politics, with the labor leaders pushing their current advantages to the limit. Their power to lead workers into strikes that may in the long run damage the position of labor is not based so much on economic factors as upon the restlessness and dissatisfaction commonly generated by wartime conditions.

According to this view, which is the only one which adequately explains otherwise frivolous and illfounded strikes, the current labor unrest is based on wartime psychology, and is clinically a close cousin of wartime juvenile delinquency.



Basic wages for steel are the highest in Canadian history.



Credit Restrictions Assist Retailers

Last week W.P.T.B. passed its fifth order dealing with consumer credit restrictions. The new order has its scope extended to cover virtually all consumer goods sold on credit; minimum down payment rates have been standardized at 33 1/3%. Since Oct., 1941, date of the first restrictions, there has been a pronounced trend away from credit sales, proportion of cash sales has increased while accounts receivable by retailers have declined sharply. Net effect for the retailer has been to improve his liquid position, allow him better to withstand the difficulties of operating under the price ceiling.

By ROBERT C. STARK

Credit restrictions during the last 15 months have helped materially to increase the liquidity of the Canadian retailer's assets; put him in a much improved position to meet today's tough operating conditions. A new order has been announced to further that improvement.

In Oct., 1941, retail sales were climbing steadily; installment purchases were pointing skyward. To meet a potential powder keg situation the Wartime Prices and Trade Board set up a Consumer Credit division with A. O. Heather as director, head office in Toronto and branches in Winnipeg and Montreal, announced credit and installment selling restrictions for five reasons:

1. To lessen demand for labor and materials so that they might be more largely available for war purposes..
2. To lessen the growth of the individual's current obligations which compete with the government for funds.
3. To lessen the burden of private obligations which might be outstanding at the end of the war.
4. To create a backlog of demand for many industrial products.
5. To counteract an important inflationary tendency by preventing an already buoyant spending power from being multiplied by extension of credit.

Effect of Regulations

How effective these regulations have been is indicated by a recently completed W.P.T.B. survey of the cash, charge and installment account sales of 970 retail stores from Jan. 1 to July 31, 1942. The survey shows:

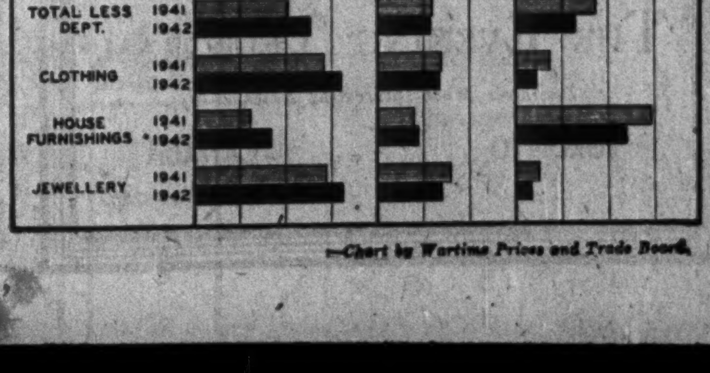
1. A pronounced trend away from credit sales.
2. Cash formed 60% of total sales in the first seven months of 1942 as compared with 52.2% in the same 1941 period.
3. Installment sales declined from 22.6% of total sales in 1941 to 15.6% in 1942.
4. Charge accounts were virtually unchanged in the proportion they formed of total sales, but
5. Total accounts receivable on July 31, 1942, were only $29 millions as compared with $43 millions a year earlier.
6. Discounted installment accounts were reduced by 45.5% between July, 1941, and July, 1942, while total installment accounts outstanding declined 34.4%.

Last week there came a new consumer credit order consolidating the four previous orders and containing some amendments intended to extend some of the restrictive elements of the previous regulations in a further effort to curb retail sales which have continued to expand. Other main purpose of the amendments is to extend such benefits as have accrued as a result of the regulations to all merchants selling on credit.

The new order brings under its influence all goods sold at retail with very few exceptions and is effective Feb. 1.

The latest order continues the process of evolution apparent in its four predecessors. The initial order was largely restrictive in its philosophy but emphasis has gradually widened from curtail-

(Continued on page 13)



—Chart by Wartime Prices and Trade Board.

War Increases Business Risks

Defaulting Employees Boost Demand For Fidelity Bonds

By DONALD G. MACLEAN

Canadian employers are buying fidelity insurance in what is believed to be a record volume. So heavy is the demand that some insurance executives state that 1943 looks like a "fidelity year"; that expansion in this branch of insurance will probably be one of the features of the insurance business in 1943.

Reasons for the situation are the increased defalcations among employees and the greater number of employees in positions of trust, increasing the aggregate hazard.

When Business is Active

The situation is one usually seen in time of active business when employment is at a high level.

Insurance which covers this class of risk is called fidelity insurance and the policies are called fidelity bonds. They don't protect against an employee's carelessness, mistakes or incapacity; only against his deliberate dishonesty.

It is normally assumed the proportion of dishonest employees to the total is fairly constant. Accordingly the more people employed the larger will be the number of defalcations. Moreover in times of good business, stocks are heavier, supervising officials are busier, and the chances of the employee getting away with a theft or falsification of his books improve.

Wartime Factors

In wartime, the situation is aggravated by a number of factors. One is the calling up of many employees for service in the forces. This puts juniors and persons not previously tested in positions of trust. Thorough investigation is not always made, with the result that more dishonest persons get responsible jobs than normally.

Other wartime factors tending to increase dishonesty are the increased cost of living, higher taxes, campaigns putting pressure on employees to buy war bonds or war savings certificates, and drives for contributions to benevolent causes.

These factors appear to have affected white collar workers more than other classes.

Double Function

Fidelity insurance performs a double function of providing indemnity when losses occur and helping prevent the loss. The preventive feature is especially important in wartime since it may prevent enemy agents obtaining entry to places of trust.

When a firm wants to take out a fidelity bond on an employee, the insurance company investigates the character of the person for whom insurance is asked. In the application form the individual must answer a number of questions such as place of birth, previous employment, etc. If he was not born a British subject, information must be given about length of residence in Canada, etc. From this point the insurance company makes further investigations as to details of past employment, etc. Sometimes these investigations show that the person is dishonest and undesirable in other respects. It may disclose tendencies subversive to the war effort.

The ordinary form of contract insures one or more persons in which case employees covered are listed. The extent of the cover varies among different companies. It may be limited to fraud and larceny, both of which are criminal acts, or it may include: fraud, dishonesty, forgery, theft, embezzlement, wrongful abstraction and wilful misapplication the last of which might or might not be a criminal act. It may have warranties that limit the liability of the company. The period in which the fraud must be discovered if the employer is to be indemnified may be limited to from six months to two years after the termination of the bond. The bond may expire annually or may run continually for up to 20 years.

Then there is the position form which covers the incumbent of a certain office without naming him. In this case it would insure the treasurer of a company even though several persons held the job in the course of a year.

A feature of both these bonds is that they reimburse the employer for frauds committed during the time of the contract.

A new form introduced a few years ago, the discovery bond, undertakes to indemnify the employer for any fraud committed by the employee from the time the employee first entered his service. If the employee leaves the firm and his successor is insured, the company pays the employer up to the amount for which the successor is insured.

One popular form of contract is a blanket bond insuring all employees of an employer.

There are other bonds to cover public officials, etc.

But fidelity insurance performs an additional factor in that it is common for an insurance company when underwriting a risk to investigate not only the prospective employee but also the employer. It is considered undesirable to write a bond on a person in an unduly hazardous position or employed by a firm with an unsavory reputation. In some cases improvement in the business methods of a company have resulted from the insurance investigations.

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Buy War Savings Certificates and War Savings Stamps

The "big guns" are beginning to sound off

Already, from all quarters, come reverberations of high-sounding prophesies as to the world in which we are to live after the war. Standing out from these uncertainties is the simple fact that people will still require food, shelter and as much of creature comforts as each individual's circumstances will permit. Continuance of regular advertising will ensure the maintenance of a market for such commodities when that time comes. The Evening Telegram with its large circulation in the rich Toronto area, can be used to advantage by advertisers today to retain such future consumer patronage.

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THE EVENING TELEGRAM
Toronto's Most Interesting Newspaper
TORONTO CANADA

More Arson Prosecutions Reported For Ontario

There were 57 criminal prosecutions undertaken by W. J. Scott, Ontario Fire Marshal, in 1942, according to his report of fire losses just issued. This number was the largest for any full war year, the number of cases coming to trial in 1941 being 28, in 1940, 36, and in 1939, 60, the latter being about the average for the years immediately preceding the war.

Of the 57 cases brought to trial in 1942, convictions resulted in 56, of which 44 were on charges of arson, eight of attempted arson and four of other crimes connected with fires.

Six cases are still pending, the report states.

Analysis of the motives behind the fire crimes in Ontario show a substantial reduction in the number set to gain insurance money. In 1938 these totalled 34, in 1939, 17; 1940, 10; 1941, 12 and in 1942 only two. There was an increase from seven in 1941 to 27 in 1942, however, in fires set by juveniles, while fires set by mentally unbalanced cases rose from six in 1941 to 22 in 1942.

Total fire losses in Ontario in 1942 had value of $9.6 millions, $937,035 more than in the previous year. The insurance loss was $8.3 millions or $1.2 million higher than in the previous year. In spite of the larger dollar figures, the number of fires was 1,100 fewer at 15,193. Comparative figures for the quarter and the year follow:

	Number of fires	Total loss	Insurance loss
12 Months to Dec. 31			
1942	15,193	9,664,329	8,307,786
1941	16,293	8,727,294	7,106,443
Increase	....	937,035	1,201,343
Decrease	1,100	......	......
Fourth Quarter			
1942	3,831	2,827,901	2,367,557
1941	3,269	1,861,385	1,452,744
Increase	562	966,516	914,813

To a large extent the increase was due to a number of large fires in mercantile and industrial buildings in the last quarter.

Place	Class	Estimated Loss
Hamilton	Hardware store	$136,659
Picton	Dry goods store	*152,751
St Catharines	Drugstore	99,386
Kingston	Men's wear store	130,966
Prescott	Hotel	60,000
Barrie	Drugstore	85,000
Bath	Poolroom, etc.	100,000
Woodstock	Collegiate	77,250

*Actual.

GROUP MANAGER

L. F. Holland, who has been appointed regional group manager for the Sun Life of Canada, with supervision of group insurance sales in eastern Ontario, Quebec and the Maritime Provinces. Mr. Holland has been with the Sun Life for the past 16 years, holding important posts in the company's group agencies in St. Louis, Pittsburgh, Chicago and Montreal.

Bank Services Aid Income

Charges Supplement Revenues as Loans Fall Off

With costs of operation including taxes increasing and the tendency for commercial loans to absorb a smaller proportion of bank funds, charges for bank services appear likely to play a more important role in bank earnings.

Normally there are three main sources of bank revenues, loans (chiefly current commercial loans), investments and services. Formerly loans were the chief avenue for the employment of bank funds. This place has now been taken by investments which yield a lower interest rate. Service charges are the most recently established source of revenues but have assumed more importance in recent years. This importance has been especially marked in years when business has been more active.

These services are mostly in connection with operating an individual account, such as accepting deposits, paying cheques, collecting accounts or transferring money from one place to another.

Until a few years ago many of these services were given free by the banks. The majority of people with savings accounts, while drawing interest on their deposits, also used their accounts to pay their bills.

Cheques were drawn freely, often for ridiculously small amounts. No matter how many cheques were cashed no charge was made. In the aggregate this meant a great deal of work for the individual bank branch staff. The same was true as regards collections. In most branch banks a large part of the time of one or more employees was occupied in presenting drafts, making collections, etc. Sometimes this was done without charge. Sometimes a nominal fee was asked. It all took time and the banks realized that time is money.

As the proportion of assets employed in loans shrank and interest rates tended downward the banks were forced to consider ways of increasing their earnings from other sources. A charge for services rendered was the answer. The usual procedure adopted was to allow each depositor to draw a maximum number of cheques a month, according to a minimum monthly balance and to charge a small fee such as five cents for every cheque over the maximum number. These charges were later extended by some of the banks to include deposits as well as withdrawals.

Since the war began, with the general expansion in business, earnings of the banks from this source have been affected in two ways. In some cases larger personal incomes have enabled depositors to keep their accounts up to the minimum monthly level and thus if only the authorized number of cheques is issued there is no charge. Others with increased incomes have been paying out larger sums and going over the number of cheques allowed have to pay extra charges. In current accounts, turnover of demand deposits moreover has been more active with increased revenue to the banks.

While the banks in their annual statements give no indication of the proportion of earnings derived from different sources, that derived from services is believed to be substantial.

With the banks curtailing staffs and seeking to reduce office routine it is believed these charges will be watched more carefully than ever. Some bankers say there will be a tightening up in the attitude on charges. Others, however, say no change from the policy of previous recent years will be followed. In any case if the circulation of money including bank deposits continues on its present levels, service charges should continue to contribute at least as much as in previous years to total bank revenues.

Further Drop In Note Issue

Circulation of Bank of Canada Shows Decline of $5.8 Millions

Further decline in the note issue of the Bank of Canada is shown in the statement for the week ended Jan. 13. The drop of $5.8 millions, the second in succession, is seasonal, although under war conditions the movement has often been contrary to the seasonal trend.

Total deposits of the bank were down, due mainly to a drop in miscellaneous deposits, the Dominion Government and chartered bank deposits being higher.

	Jan. 13 1943 $	Jan. 6 1943 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	684,142,788	689,865,819
Rest fund	5,585,705	5,585,705
Deposits: Dom.	58,829,381	33,834,954
Banks	238,289,382	227,913,728
Other	14,317,017	52,105,007
Total deposits	311,435,781	343,853,689
All other	14,276,448	14,083,315
Total liabs.	1,020,440,722	1,028,388,528
Assets:		
In Sterling & U.S.	396,417	499,192
Subsid coin	73,850	61,253
Advances	750,000	1,250,000
Investments:		
Dom. gov. sh.	795,876,497	794,178,535
Other Dom. gov.	209,806,171	307,591,942
Total invest.	1,005,682,668	1,001,770,477
Premises	2,110,581	2,110,402
All other assets	11,427,206	22,697,204
Total assets	1,020,440,722	1,028,388,528

T. C. A. Increases Paid-up Capital

From Our Own Correspondent

MONTREAL. — Trans-Canada Air Lines has increased its paid up capital from 75% to 92%. Last month the Canadian National Railways put up an additional $850,000, increasing its investment in the air line to $4.6 millions.

The additional capital will be used by Trans-Canada Air Lines to finance the purchase of equipment in particular the 6 Lodestar aircraft which have already been delivered.

Penny Bank Deposits Decline As Children Buy War Stamps

Investment of the savings of Ontario school children in war savings certificates and to some extent in war bonds is reflected in a decline in deposits of the Ontario Penny Bank in 1942. The annual report of the bank shows deposits of $990,964 compared with $1,050,449 the previous year. Since the end of 1939, the deposits of the bank have declined $438,000.

The decline has been effected two ways:

1. Money on deposit has been withdrawn for the purchase of war securities, especially bonds.

2. School children, instead of depositing their savings in the bank, have been buying war savings certificates or stamps.

It is estimated the total amount currently being saved by the pupils, including deposits in the banks and investments in war securities, is greater than at any time in the past.

Ready Purchasers

Bonds purchased are usually of the $50 denomination. Children are stated to be ready subscribers, as apart from the patriotic motive, inculcated in the schools, they have also learned through their association with the bank the advantage of bond interest at 3% compared with bank interest of 1½%.

Like the chartered bank reduction in branches, the Penny Bank has experienced a decline in the number of schools where it operates from 525 to 488. This has been due to the general tendency to reduce routine work in the schools and at bank branches to save staff.

In the 488 schools where it operates, the bank serves a school population of 198,000. In addition to points in Ontario, it operates at Kimberley, B.C., Petitcodiac, N.B., and Prince Albert, Sask.

The following table shows changes in deposits in recent years:

Deposits in Ontario's Penny Bank At end of Fiscal Years

	$
1910	142,681
1915	244,009
1920	608,464
1925	787,541
1930	1,277,911
1935	1,289,296
1940	1,299,359
1941	1,050,449
1942	990,964

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

J. G. KENNY, to be assistant manager at Kingston, Ja.

E. E. CONDELL, to be an assistant inspector.

H. E. MARCH, to be accountant at Dundas & Brock, Toronto.

N. B. MOORE, to be an assistant accountant at Toronto.

E. G. MOSHER, to be an inspector.

J. A. KYLE, to be an inspector.

R. SCOTT, to be an inspector.

J. D. LYNESS, to be an inspector.

A. RIDEOUT, to be an inspector.

T. D. WINDROSS, to be an inspector.

D. C. HOLLAND, to be an assistant inspector.

J. A. THORNBURY, to be an assistant inspector.

W. A. MEYER, to be manager, Spadina & Dundas, Toronto.

J. G. WICKS, to be manager, Havelock, N.B.

D. SAMSON, to be manager, Morell, P.E.I.

B. A. EVANS, to be manager, Spiritwood, Sask.

H. R. FLEWWELLING, to be manager, Kennetcook, N.S.

N. B. JOHNSTON, to be manager, Beechy, Sask.

T. G. DUNN, to be manager, Twillingate, Nfld.

The Canadian Bank of Commerce announces the following staff changes:

A. W. BISHOP, to be manager, Danville, Que.

C. C. BLAIR, manager, Danville, Que., to be manager, Noranda, Que.

W. ALLAN, manager, 10th & Sasamat, Vancouver, to be manager, Powell St., Vancouver.

T. STOTHERS, manager, Shaunavon, Sask., to be manager, Brighton, Ont.

H. J. FUKE, manager, Bloor & Dufferin, Toronto, to be manager, Timmins, Ont.

J. M. McILROY, manager, Brighton, Ont., to be manager, Bloor & Dufferin, Toronto.

CottonMill Activity On Easier Basis

From Our Own Correspondent

MONTREAL—Cotton mill operations continue on a relatively high basis but under the level prevailing a year ago. Last month, according to the Cotton Institute of Canada, 38,547 bales of cotton were opened. This contrasted with 40,145 bales in the preceding month and with 40,427 bales in December, 1941.

Weekly Bank Clearings

	Jan. 14 1943 $	Change Year ago %	Jan. 7 1943 $
Halifax	3,636,870	+0.9	4,752,473
Saint John	2,416,847	+22.7	3,085,208
Moncton	1,077,993	+1.8	1,100,202
Sherbrooke	968,601	—2.8	1,049,372
Quebec	5,838,459	+16.7	4,526,870
Montreal	119,055,406	+19.7	128,551,857
Ottawa	88,617,915	+11.2	122,065,346
Kingston	798,171	+6.5	953,753
Peterborough	761,676	+14.1	813,063
Toronto	130,880,196	+16.7	171,764,286
Hamilton	6,704,697	+3.8	7,172,133
St. Catharines	1,282,480	+5.7	1,420,837
Kitchener	1,160,090	+5.4	1,575,480
Brantford	998,613	+0.8	1,326,973
London	3,146,875	+29.3	3,846,054
Chatham	644,284	—7.8	641,571
Windsor	3,573,484	+1.9	3,759,633
Sarnia	631,884	+52.1	731,307
Sudbury	1,021,372	—23.8	1,230,659
Fort William	999,582	—7.7	1,137,466
Winnipeg	53,255,646	+26.8	53,514,395
Brandon	372,256	—5.2	592,577
Regina	5,086,778	+28.6	5,777,590
Moose Jaw	1,051,992	+42.7	967,562
Prince Albert	568,393	+23.3	522,345
Edmonton	6,950,622	+19.9	6,913,401
Calgary	8,224,770	+39.0	7,047,232
Lethbridge	809,920	+26.9	661,219
N. W'minster	1,006,562	+28.7	825,453
Vancouver	24,982,781	+47.5	28,918,358
Victoria	2,046,836	+19.9	1,826,028

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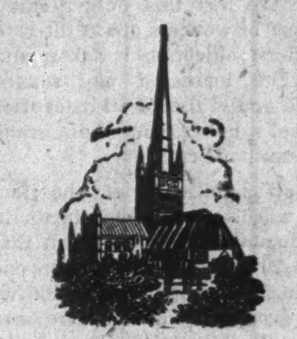

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LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—The old adage, "Do not speak ill of the dead," no longer applies. Darlan was buried with harsh, resentful words in a dozen tongues. Now Sir Nevile Henderson, our former Ambassador to Berlin, has died and the British newspapers vie with each other in their unsparing candor.

Nevile Henderson had the qualities which would have brought him diplomatic success in Victorian times when Europe listened respectfully as the Lion roared. The ex-ambassador was tall, slim, well dressed, elegant without being a poseur, intelligent, a graceful dinner companion and a good writer. With a mighty Britain behind him his friendliness and courtliness would have made an excellent impression on foreigners.

Unfortunately he went to Berlin when our shadow was pale indeed. He was polite and gracious to men who despised such qualities.

In spite of what is being said about him today he certainly was not blind to the threat of war. Unfortunately he tried to reason with villains.

* * *

Too Little Pageantry

When Lord Halifax visited Germany in 1937, ostensibly to attend a hunting exhibition but really to talk to Hitler and Goering, he took only one person with him — an old Yorkshire family servant.

The goose-stepping Prussians with their semi-Asiatic love of pageantry could hardly suppress disdain. It helped to strengthen the impression that Britain had become a second rate power. Lord Halifax was amazed. He should, of course, have arrived on an elephant, or at least had a platoon of west end tailored Foreign Office officials in attendance.

Incidentally that was the first time Lord Halifax had been to Germany . . . an extraordinary commentary in itself on the wealthy Englishman's indifference to his neighbors.

* * *

MacMillan for Africa

A fortnight ago I intimated that Captain Harold MacMillan was very unhappy over the appointment of Oliver Stanley to the Colonial Office. As long as Viscount Cranbourne was the Colonial Secretary it meant that MacMillan, as Under-Secretary, was the sole Minister for the department in the Commons, thus giving him considerable importance. When Stanley become the Colonial Secretary it meant that MacMillan was little more than a brief carrier for his chief.

MacMillan is a great character. There is a touch of Ouida about his appearance but he has a devastating wit. He once said about a Prime Minister who shall be nameless: "He is like a mighty beech tree under whose branches nothing grows." On another occasion he said: "The only man who ever had a practical plan for Parliamentary Reform was Guy Fawkes." He served in the Guards in the last war, when he was badly wounded, but also had been on the staff of the late Duke of Devonshire at Rideau Hall where he married the daughter of the boss — Lady Dorothy Cavendish.

Obviously a man of such gifts and wit could not be left long as water carrier to Oliver Stanley. So once more Churchill used his Siberian technique. Off goes Harold MacMillian as resident Minister to North Africa which is just about as ticklish a job as could be. His authority will be undetermined. He has to deal with the distracted French and with the Americans, both of whom may keep him busy.

* * *

Transportation For Life

This sending of Ministers abroad is an entirely new development in British politics. To some it is promotion. To others it is in the form of an epitaph. Mr. Casey's transmigration from Washington to Cairo was a definite step up.

But when Lord Swinton went to West Africa it was with the knowledge that his star was in the decline. Lord Moyne, too, when appointed Mr. Casey's assistant, must have looked longingly at the not so distant past when he was Secretary of State for the Colonies. Colonel Llewellyn's recent appointment as Resident Minister at Washington can hardly be regarded as a promotion. From chief of Aircraft Production in Britain to an indeterminate position somewhere between the Ambassador and the Government is not the road to glory.

Mr. Duff Cooper never recovered from his banishment to Singapore but Mr. Malcolm MacDonald has won many friends in Canada.

Every day when Parliament rises the attendants shout: "Who's for Home?" That means that if they desire it, any member can have police protection to his place of abode. Now when Mr. Churchill glances along his front bench you feel that there ought to be a shout: "Who's for Africa?" Or even "Who's for Siberia?"

* * *

Should Wife Equal the Boss?

Major Van Der Byl, the handsome newly appointed South African Minister for Native Affairs, made an excellent impression in London a few years ago when he came here with General Smuts. He is tall, serious, well dressed and idealistic.

He married the daughter of the late Mr. Fleming who was the Magistrate for Clerkenwell. Major Van Der Byl had his own ideas on making a success of marriage. On that visit he said to me:

"If a man will always treat his wife with the same interest and consideration as he would show to his employer then there would be far more happiness in the world and fewer divorces."

It is at least a thought.

* * *

Sunday Shows

Incidentally the rival forces are lining up for a terrific fight on the question of opening theatres on Sunday. The present law is an old one. Cinemas and public houses are now accepted as part of the activities of the Sabbath day. On the other hand theatres are not allowed to open.

Thus you can see Clark Gable in an American film but you must not go to see John Geilgud in Shakespeare's "Julius Caesar." It is true that charity shows are allowed in the theatre but there must be no "properties" or theatrical costumes. Thus a juggler could appear but he would not be allowed his rabbit. A comedian can make jokes but he must not have a red nose (and in Britain they expect a red nose with their jokes).

Now the actors have made a combined protest. They are willing to give their services on Sunday to entertain the forces, but no longer will they submit to working without their tools. The Lord's Day Alliance, invoking a law of the 18th century is massing its powerful battalions for the struggle. Parliament will have to decide and if the day goes for the actors then the next step will be Sunday theatres, subject only to the consent or dissent of the local authorities.

* * *

London was shocked recently by the death of Lady Castlerosse, wife of the famous journalistic Viscount of that name, and now Earl of Kenmare. An inquest has been held but has been adjourned. She was a woman of humble origin but of extraordinary beauty. She lived a gay, expensive and glittering life, travelling to the pleasure resorts of the world and finding the whole expression of life in the restaurants, casinos and social activities of the smart sets in the world's capitals.

She was not without kindliness or good humor but seemed driven by some inner hunger for every experience open to her. Recently she returned to London after a prolonged stay in California. She could not understand the London of today. She seemed to have no place in it.

Her friends were scattered to the winds and the smart set was in the factories or in the services. There was no night life save where young airmen danced with their girl friends. There was no elegance, no gaiety. It was smart to be drab and austere and she could not adjust her philosophy. Her nerves began to go to pieces.

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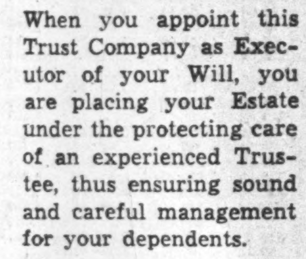

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New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

NICKEL PLATING. M. & S. order M.C. 36, Dec. 31. With certain exceptions nickel plating is prohibited unless authorized by permit. Exceptions are surgical instruments and hospital supplies, scientific and electrical control instruments for the armed forces or industries use, and dairy equipment. Metals Con., G. C. Bateman.

* * *

MEN'S CLOTHING. W.P.T.B. order A-539, Jan. 2, amends earlier orders restricting the manufacture of certain types of men's clothing, particularly formal clothes. These are on the banned list. Adm. of Fine Clothing, H. R. Cohen.

* * *

TIRE PATCHES. W.P.T.B. order A-542, Jan. 4, amends the order which limits the number of rubber tire reliners or patches any manufacturer may make to the number he made in 1941. The original order applied only to 1942 and the amendment simply continues it. Used Goods Adm., S. Godfrey.

* * *

CURTAINS. W.P.T.B. order A-543, Jan. 4. Except with permission of the director of drapery and upholstery fabrics, no person may manufacture window curtains except of these types: (a) cottage sets, frilled or tailored, without trimming; (b) straight tailored curtains; (c) frilled curtains of single width up to 53 in. Co-ordinator of Textiles and Clothing, F. B. Wallis.

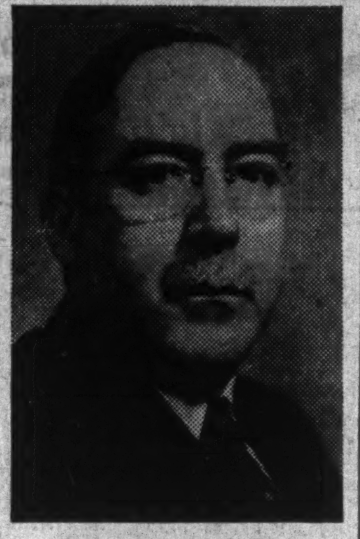
* * *

OFFICE MACHINERY. W.P.T.B. order A-546, Jan. 6. This sets out a new procedure distributors of office machinery must follow in keeping records of units delivered and in securing permission to make deliveries. Co-ordinator of Metals, D. P. Cruikshank.

* * *

BRASS AND BRONZE SCREWED PIPE FITTINGS. W.P.T.B. order A-541, Jan. 4. Manufacture of brass and bronze screwed pipe fittings is prohibited unless they conform to specifications set forth in schedule. Adm. of Heating and Plumbing, E. J. Laidlaw.

Montreal Stock Exchange and Montreal Curb Market report the value of listings at the end of December was the highest in the past 12 months. During the month values rose to $6,484 millions, a gain of $212 millions over November and a slight increase over Dec., 1941.



TRANSPORT CHIEF

Succeeding J. F. Pringle, now general manager of the Atlantic Region of the C.N.R., J. P. Johnson has been appointed chief of transportation for the Canadian National Railways System, headquarters at Montreal. Previously Mr. Johnson's headquarters had been at Toronto where he was general superintendent of southern Ontario.

Avalon Telephone Business Gains

New Installations Discontinued — Extend Radio-telephone Service

From Our Own Correspondent

MONTREAL.—Avalon Telephone Co., operating in Newfound, reports 35 million telephone calls handled during 1942, five million more than during the preceding year.

Plant additions during the year were restricted due to the difficulty of obtaining equipment but totalled $70,000 and consisted of 850 stations. All new installations are discontinued except for absolutely essential services.

At New Peak

Some 11,500 telephones are now in service, of which 10,000 are in St. John's.

Toll traffic during 1942 was exceptionally heavy, the company reports. Consequently, it was necessary to discontinue the special Sunday and night rates.

Radio-telephone service was extended to Corner Brook, which connects with the Burin Peninsula, and Grand Falls area, are now all linked with one another as well as with St. John's, Canada and the United States.

Canada Northern Widens Market

Lacorne Mine Signs Up for Power—Other Sales Are in Prospect

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. has entered into a contract with Wartime Metals Corp. for the supply of power to the Lacorne Mine in the Siscoe area of northern Quebec, where preparations for production of molybdenum are well advanced. The property will be connected to the company's system shortly.

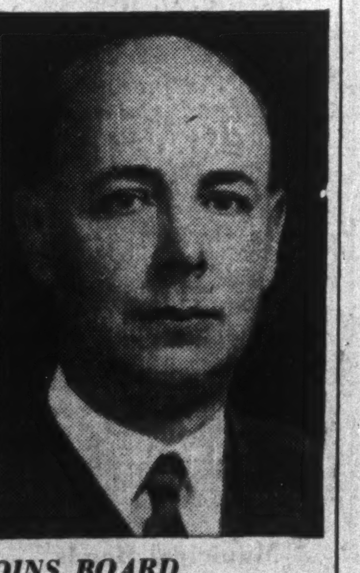
The company also reports that in the Kamiscotia area, preparations are advanced for production of copper from a low-grade deposit by Hollinger Consolidated Gold Mines. The power requirements of this operation are expected to total about 2,000 h.p.

Deliveries of another 500 h.p. are expected to result when the extension to the mill at the Waite-Amulet property near Noranda, P.Q., has been completed and put into operation.

Montreal Power Appeals Tax Assessment

Montreal Light, Heat & Power Consol. is appealing the tax assessment of $14,522,000 on its properties located in the City of Montreal. Previous to the last two years the company had been assessed on a valuation of $5.5 millions.

The city claims that prior to 1941 it accepted the company's valuation. In Dec., 1941, it had its own assessors and experts do the work, and the valuation was brought up to $13,940,155. The company claimed its fair valuation was not more than $5,629,000 instead of $14,526,000. The year following the city set the valuation at $14,522,000 and the company states that $5,772,000 is the correct figure.



JOINS BOARD

L. Æ. L. Galipeault, advocate, who has been elected to the board of commissioner-censors of the Provincial Bank of Canada. He is senior partner of the firm of Galipeault & Galipeault, Quebec City.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

B.A. Oil

How is B. A. Oil making out under war conditions? Do you think it should be able to convert fairly easily to peacetime production?

British American Oil Co. is experiencing conditions similar to those affecting the entire oil industry—rationing of gasoline, difficulty in securing sufficient supples of crude oil and efforts to convert more and more of their refined products output to such products as aviation gasoline and fuel oils.

The company is constructing a new refinery near Toronto but has met with serious delays in securing equipment and this is not expected to be ready until spring.

In 1941 the earnings were $1.05 a share and dividends $1. Postwar position of a company like British American Oil seems favorable as it will be able to switch to regular production with relative ease. The company has important subsidiary operations in the United States where it is developing its own sources of crude petroleum.

Brazilian

Some comment on the present position of Brazilian Traction would be appreciated.

Brazilian Traction, Light & Power Co. has been able to report a steady growth in gross earnings for the past several years. Net profits after all charges in 1941 were higher than in any year since 1930 and the 1942 report is expected also to show a satisfactory earnings record.

Exactly what effect the war will have upon the Brazilian economy is not clear as yet although prior to the entrance of Brazil into the war it had apparently had a stimulating effect. Judging by experience in this country and in the United States, this stimulation of business will continue but it may be tempered so far as Brazilian Traction shareholders are concerned by the necessity of applying heavier taxes to finance Brazil's war effort.

Chief handicap of this company for a number of years past has been difficulty in obtaining foreign exchange with which to transmit earnings out of Brazil to this country where they could be used to pay dividends. This condition in turn was determined by the trade balance available to Brazil and improvement has been shown over the past couple of years as is evidenced by the resumption of dividends by Brazilian Traction.

With clear evidence of the determination of the United States to extend aid to South American allies, it seems the general trend in this respect will continue favorable. At the same time it must be remembered that a "foreign" company such as Brazilian Traction is always subject to somewhat more than normal business risk, a condition which makes its shares somewhat speculative.

Moore Corp.

How has the business of Moore Corp. been influenced by the war?

Moore Corp. does about 90% of its business in the United States. The company has been increasing the extent of the war business which it has handled and its total volume is expected to be maintained although its character will be somewhat altered. This company's main business, that of supplying business forms, moves closely in sympathy with changes in general business volume and it has benefitted materially from the great number of war forms required both in Canada and the United States. It seems reasonable to expect continued good demand for its products after the war.

A National Duty—

AN INVESTMENT OPPORTUNITY

There is no type of investment available in this country which, from the standpoint of security of principal, attractive interest yield and ready marketability, can compare with DOMINION OF CANADA BONDS

Telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

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MONTREAL 214 ST. JAMES STREET
TORONTO 60 KING STREET WEST

Yet in there FIGHTING

TIRES are not for sale to the average consumer—and still the tire industry continues to advertise in Maclean's.

Tire companies are in there fighting, fighting to protect their goodwill and their trademarks, fighting to obtain their share of the post-war consumer market, fighting to assure jobs for their employees and those who will return from the Forces.

Actually, the combined investment of the tire industry of Canada in Maclean's for 1942 has been greater than the industry's average investment in Maclean's in 1939 and 1940.

The reason is that Maclean's is ideally suited to the job of sustaining goodwill. Maclean's combines all the six essentials listed below.

Other industries have come to the same decision. Fifty outstanding advertisers, similarly unable to serve consumers at present, have placed sustaining advertising in Maclean's in the past six months.

Maclean's today is more important than ever as an advertising medium, whether you advertise for immediate sales or to strengthen your position in the better consumer market of tomorrow.

HERE ARE THE SIX CHARACTERISTICS NECESSARY FOR THE IDEAL MEDIUM OF 1943

1—**READERSHIP**—Maclean's is read eagerly, closely and thoroughly.
2—**INFLUENCE** — Maclean's constructive editorial policy is vigorous, its following loyal.
3—**SELECTIVITY**—Maclean's reaches people of intelligence, leaders in their communities.
4—**COVERAGE**—Maclean's goes everywhere, offers the largest circulation of all Canadian magazines.*
5—**PROVEN WORTH** — Maclean's has proven its ability to influence sales. The leaders in every industry place it first.
6—**ECONOMY**—Maclean's makes a limited appropriation go a long way.

*Please consult A.B.C. statement for the six months ending June 30, 1942, the most recent available, which shows:—Average Net Paid Circulation—278,530.

Maclean's has everything — Use Maclean's and Be Safe!

Maclean's
CANADA'S NATIONAL MAGAZINE
Montreal London New York Chicago
481 University Ave., Toronto, Canada

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS TRADED THIS WEEK

WEEK ENDING JANUARY 18

[illegible]

Mining Stocks

Week Ending January 18

[illegible]

Oil Stocks

Company	Sales	Last Jan. 11	High	Low	Close
Pacalta	86,400	.05½	.24	.22	.24
Pacific Pet.	7,700	.21	.04½	.04	.04½
Royal Can.	9,500	.03½	23.00	22.75	23.00
Royalite	210	22.25	.04½	.04	.04½
South End	35,000	.04½	.25	.20	.25
South W. Pete	895	.29	.90	.85	.90
Texas Can.	900	1.00	.08½	.06½	.07½
United Oils	23,400	.07½	.06	.06	.06
Vanalta	1,000	.04½	.11½	.10	.11½
Vermilata	14,500	.10½	.25	.22	.22
Vulcan	1,325	.20			

* Yield including bonus. † Paid in 1942.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind & Mines
Jan. 19	23,300	17,900	284,000	......
Jan. 18	18,400	33,600	325,000	......
Jan 16	15,100	5,700	136,000	21,530
Jan. 15	22,500	12,800	322,000	31,550
Jan. 14	20,100	12,300	279,000	64,150
Jan. 13	25,200	11,000	440,000	72,875

STOCKS NOT TRADED THIS WEEK

[illegible]

Mining Stocks

[illegible]

Oil Stocks

	Div. rate	Last sale	Jan. 18 Bid	Ask
Marvel		.04½	.04½	..
National Pete.	...	.03½	.02½	.04
Oil Selections	...	.25		
Petrol Oil & Gas	.04	.03	.06	.12
Spooner	...	.07	.08	..
Sunset	.03			

Municipal Bonds

Jan. 19, 1943

	%	Due	Bid	Ask	% Yld.
†Halifax	5	1961	113.50	116.50	3.77
Hamilton	5	1950	110.25	113.25	3.00
Montreal	5	1945	94.50	97.50	*
Ottawa	4½	1945	104.00	105.50	2.33
†Quebec	5	1959	109.00	112.00	4.00
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	117.00	120.00	2.55
†Vancouver	5	1970	104.00	107.00	4.55
Winnipeg	5	1944	100.00	103.00	2.54

†Payable Can. & N.Y. *Flat.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Jan. 20, 1943

%	Due	Bid	Ask	Approx. Yld.
2½	June '43	100⅛	100¼	.20
[illegible]	Oct. '43	102½	103	.97
2	June '44	100⅞	101⅛	1.16
1½	Sept. '44	99⅞	100⅛	1.40
2½	Jan. '44	100¼	101⅜	...
4½	Oct '44	105	105⅜	1.37
2½	Nov. '44	101⅜	102¼	1.37
a2½	Aug. '45	100⅞	101⅛‡	b.57
4	Oct. '45	101⅜	102⅛	.97
2	Mar. '45	100⅛	101¼	d.46
2	Dec. '46	100	100¼	1.87
4½	Feb. '46	107½	107⅞	1.87
2½	Mar. '48	100⅞	100⅛	2.15
1½	May '46	99⅞	100	1.75
3½	June '49	102⅞	103¼	b2.27
3½	Oct. '49	102½	103	b1.83
a2½	Jan. '48	100⅞	‡101¼	b2.17
3½	Nov. '51	102	102½	b2.79
3½	Feb. '52	102⅞	103¼	‡2.80
a5	May '52	100¼	100⅞‡	b
4	Oct. '52	106½	106⅞	b2.15
a3	June '51	101⅜	101⅞	2.84
3	Oct. '52	100¼	100⅞	2.88
3	June '55	99⅞	100¼	2.98
a3	Nov. '56	99⅞	100¼	3.03
4½	Nov. '56	107¼	107⅞	b2.37
4½	Nov. '57	107¾	108⅜	b2.64
a3e	Jan. '53	101⅞	‡101⅞	b2.75
a3	Mar. '54	100¼	100¾	2.99
a3e	Jan. '58	99⅞	‡100¼	b2.98
3	June '58	99⅞	99⅞	3.02
4½	Nov. '58	108¼	109	b2.82
4½	Nov. '59	109¼	110	b2.89
a4	Oct. '60	108⅞	‡108⅞	b2.74
a3½	Jan. '61	102¼	103‡	2.97
3½	June '66	101⅞	102½	b3.05
a3e	Jan. '67	99⅞	99⅞‡	3.02
a3e	Nov. '68	98⅞	99⅞‡	3.02
†3	Perpet'l.	94⅞	95½	3.15
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	99⅞	100⅛	...
2½	Jan. '46	100⅞	101¼	1.83
3	May '44	101⅞	102¼	1.39
3	Dec. '50	100¼	100⅞	2.73
3	Jan. '59	99⅞	100	3.00
*4½	Sept. '51	122	122⅞	1.67
*4½	Feb. '56	123¼	124¼	2.31

%	Due	Bid	Ask	Approx. Yld.
4½	July '57	123⅞	124⅞	2.46
3	Feb. '53	99⅞	100⅛	2.97
4½	June '55	125¼	126½	2.29
5	Feb. '54	118	118⅞	2.99
*5e	July '69	119½	120½	...
*5e	Oct. '69	126½	127½	b1.45
*5e	Feb. '70	126½	127½	b1.59
Can. Nat. W. Ind. S. S.:				
5	Mar. '55	126½	127½	2.38
Grand Trunk Pacific Rly.:				
3	Jan. '62	104½	105½	2.61
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	96	97½	3.33
3½	Aug. '49	97½	99	3.42
3½	June '56	98½	99½	3.55
c4	Nov. '47	110	111½	...
c4½	Apr. '61	112	114	3.43
c5	Jan. '60	114½	116½	3.68
Nova Scotia:				
3	Jan. '52	98	98½	3.06
3½	June '56	99½	101	3.16
3½	Nov. '56	101½	102½	3.13
c4½	Sept. '52	113	114½	...
c4½	Nov. '60	117	118½	3.14
c5	Mar. '60	121½	123	3.23
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100¼	101¼	b2.51
3	Nov. '50	99⅞	100⅞	b2.83
3½	Nov. '51	100⅞	101⅞	b2.96
3½	May '55	100⅞	101⅞	b3.03
4	June '62	116½	118	2.77
4½	June '50	109½	110½	2.95
*4½	Jan. '62	121	123	2.92
5	Oct. '48	110	111	2.91
*5	Dec. '60	128½	129½	2.81
5½	July '46	108½	109½	2.71
Ont. Hydro Commission:				
3	Aug. '48	100¼	101¼	b2.56
3½	Feb. '53	100⅞	101⅞	b2.97
3½	Apr. '47	103	104	2.50
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	99⅞	100⅞	2.83
3½	Mar. '48	100	100⅞	3.09

%	Due	Bid	Ask	Approx. Yld.
3½	Mar. '50	99	100	3.50
4	Nov. '52	103	104	b3.41
3½	Feb. '55	101½	102½	b3.46
4½	Aug. '58	106½	107½	3.84
4½	Jan. '63	110	111	3.95
Alberta:				
4½	Oct. '56	74	77	d
4	Dec. '54	72	75	d
*5	Oct. '59	75	78	d
c5½	Apr. '52	76	79	d
6	Mar. '47	77	80	d
British Columbia:				
4	Dec. '57	110	...	...
*4½	Jan. '51	113	...	...
c4½	Oct. '53	113	...	...
c5	Apr. '54	116	...	...
5½	Feb. '45	103	105	2.78
6	Feb. '47	108½	110½	3.29
Manitoba:				
c4	Dec. '57	103	105	3.56
c4½	Dec. '56	107½	...	...
*5	Dec. '59	110	...	...
5½	Oct. '55	109½	111½	4.23
6	Apr. '47	107	109	3.80
Saskatchewan:				
4	Sask. '54	87	89	5.27
4	Nov. '60	86½	88½	4.97
c4½	Oct. '51	95	...	...
c4½	Mar. '60	92	94	5.01
5	Aug. '58	94	96	5.38
5½	Oct. '52	99	101	5.37
6	Mar. '52	100	102	5.71

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated to 1950 average maturity. ▪-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Jan. 19, 1943

	Bid.	Ask.
Industrial:		
Acme Farm, pf.	60	..
Andian National	17	21
Anglo C. Tel., A	7½	8½
Atlas Steels, c.	19½	22
Do., pref.	104	108
	9½	10½
B. C. Pulp, c.	62	66
Do., pfd.	40	..
Barrymore Cl. p.	68	..
B. C. Sugar	102	..
B. C. Tel. p.	1½	2
Brown, com.	28	31
Do., pfd.	7	8
Burns & Co., A.	3½	4½
Do., B.	147	151
Can. Indust. A.	8½	9½
Can. Co-op. Wool	8	9½
Can. Mach. c.	63	68
Can. Ing. Rand	6½	7½
Can. Mot. L.A.B.	5½	..
Cap. W. Cloth	18	21
Do., pref.	2½	..
Col. Realty	15	18½
Chase, A. W., p.	48	51
Colonial Steam	15	17
Copeland F. un.	4	5½
Det. Int. Bridge	18½	21
Dunlop T. p. $25	20	22
East. Steel p.	8½	10½
Easy Wash., p. $10	1½	2½
Fed. Grain com.	56	60
Fed. Grain, pf.	9½	12
Galt Brass, c.	8½	10
Goderich Elev.	14	16½
Guard. Realty, p.	13	16
Guelph Carp., c.	1½	2
Gurney Fdy., p.	5½	..
Hart Battery	15	16
Hayes Steel, c.	..	45
High. Dairy pf.	6	7½
Inglis John	88	..
Ingram & Bell p.	12	14
Kingst. Ship., c.	11½	13½
Loblaw Inc. c.	4½	5
Minn. & Ont. p. c.	3	4
Mt. Royal H. c.	5½	6½
Morrison Br. un.		
M'row Screw p.	101	103½
Do., com.	14	16
Neilson, c.	10	..
Neilson Wm. p.	101	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	16	19
Prov. Paper, p.	93	97
Quinte Milk	3	3½
Rel. Grain	5½	8
Do., pre.	79	82½
Robertson, P. L.	305	..
Stand. Fuel, p.	51½	54
Stedman, pf. $50	54	56
River Silk B.	2	..
Sutton Horsley	1	1½
Tor. Carpet, c.	65	..
Do., pref.	67	70
Un. F. Co-op.	3½	5½
Un. Steel, A, pf.	23½	24½
Viceroy Mfg., c.	12½	..
Do., pref.	23½	..
Waterloo Mfg.	4	..
West. Grain, un.	9	11
Trust & Loan Stocks:		
British Mtge.	116	126½
Brockville Tr.	45	..
Cap. Trust	28½	32½
Comm. Fin., c.	8	..
Grey & Br. Tr. $50	45	..
Guaranty Trust	100	103
Guelph & O. $50	47	53
Indust. Mtge.	25	28
Lambton Loan	34	..
Lon. & W. Trust	31½	34
Midland Loan	14	16
Premier Trust	26½	30
Sherbrooke Tr.	120	..
Sterling Trust	51	53
Trusts & Guar.	29½	31
Victoria Trust	63	68
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	50	52½
Canada Life	300	327½
Canadian Fire	71	75
Confed. 30% pd.	125	130
Cons. Fire	3½	..
Continental L.	31	34
Crown Life	255	265
Dominion Fire	132	138
D. of Can. Gen.	115	125
Dom. Life	175	200
Empire, 25% pd.	5	6
Excelsior 40% pd.	68½	72½
Fed. Fire 25% pd.	53	56
Great-West Life	215	225
Halifax Fire	14½	15½
Imperial Life	245	265
Manufac. Life	215	222
Monarch Life	32½	36
National Life	7½	10
Sov. L. 25% pd.	11	12½
Sun Life	240	255
Tor. General	4½	5½
Wellington Fire	58	..
Western Assce.	38	41
Do., pref.	41	44
Western Life	11	13½
Theatre Stocks:		
Allen's St. Cath. units	35	50
Do., Kingston	63	66
Do., Toronto p.	35	38
Loew's Lond., p.	7½	8½
Manaf. Theat., p.	60	..
Para. Kitch. p.	50	..
Do., Oshawa, c.	9	11½
Investment Trust Shares:		
Inv. Found. un.	40	42
Sec's. Hold., pf.	17	19
Th. Can. Inv. Tr.	1½	2
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	101	106
Gt. Lakes Pr., p.	100	103½
Int. Util. $1.75 p.	7½	..
Do., $3.50 p.	23	..
Mtl. Is. Pwr. p.	40	..

Unlisted Mines

Toronto, Jan. 19, 1943

	Bid	Ask
Adnaron	.27	.29
Alb Riv	.01	.04
Alb Riv n	.04	.06
Amal Kirk	.07½	.08½
Anoki	.01	.03
Aquarius	.11	..
Arjon	.03½	.04½
Armistice	.26	.30
Area	.07½	.08½
Argosy	.03	..
Arntfield	.00⅞	.01½
Barb Lard	.04½	..
Brock	.08	.09
Clifton C	.25	.28
Can Rad	.03	.05
Cent Man	.02	.03
Cheminis	.03½	..
Columbi'e	.24	.28
Cons Chib	.04	.06
Delpin	..	.03
De San n	.02½	..
Dona Pat	.01⅞	.02⅞
Eastward	.07	.10
Elmos	.03	.06
Franco	.13	.18
Goodrock	.24	.26
Gunflint	.18	.20
Hayes Cad	.02½	.03
Hoyle n	.08	.09
Hugh P P	.04	..
Kirk Town	.07	..
Lacoma	.01	.02
Laguerre	.11	.12
Lk Geneva	.04½	..
Low Pete	.32	.36
Mag Cons	.30	.35
Mag Lake	.10	..
Maj Mic	.34	.37½
Martin B	.03	.05
Mata Can	.01	.04
Cata Con	.09	.12
McMarm	.09	.11
Mof Hl ne	.01½	.03
Mosher	..	.10
McManus	.01	.02
Nabob	.02½	.03½
Nat Mal	.20	.23
Nick Off	.75	1.00
Norbeau	.15	.20
Newbec	.02½	.03½
New Riba	.01	.02
Nor Tin	.16	.18
Oklend	.04	.06
O'Lry Mal	.03	.04
Opemiska	.06	..
Orpit	.01½	.02½
Pascalis	.20	..
Pon Rouyn	.01	.04
Pt Cold	.24	.27
Propri'y	4.50	4.85
Presdor	.02½	.03½
Que Man	.23	.25
Rand Mal	.13	.15
Ritoria	.01½	.03
S.A.G.A.	.05	.25
Sheldon	.05½	.10
Springer	.19	.22
Stadacona	.05½	..
Tombill	.05	.10
Tom Iron	.58	.65
Thom L.	.13	.16
Union Min	.03½	.04½
Wesley	.01½	.03
Yg David	.17	.20

OIL ROYALTIES

Producing Wells — Prices and Payments

	Jan. daily quota bbls.§	Dec. daily quota bbls.	Sept. pay. 1% $	Oct. pay. 1% $	Nov. pay. 1% $	Total to Nov. 30 1% $	Offering price* per 1% $
Ace No. 1 gross	490	490	205.12	197.47	225.33	3,998.47	7,600
Alta. Oil Inc. No. 1 gr.	95	95	32.80	18.80	52.40	3,569.60	1,500
Do., No. 1 net	95	95	22.40	22.00	42.40	4,059.20	1,000
Do., No. 2 gr.	400	500	210.80	161.20	186.40	4,192.00	....
Do., No. 2 net	400	500	150.40	107.60	131.20	5,914.20	4,000
Allied No. 1 pfd.	100	100	29.00	41.00	34.74	1,486.34	....
Arrow No. 1 net	135	140	42.92	38.97	35.00	768.15	1,200
Do., No. 2 net	190	190	51.00	54.00	53.00	1,510.20	1,700
Atlas-Br. D. No. 2 pfd.	450	600	293.20	224.80	221.20	2,268.80	6,800
Atlas-Br. D. No. 3 pfd.	700	700	....	....	....	......	7,000
D. & D. net pfd.	75	75	30.00	32.00	28.00	1,837.80	1,000
East Crest No. 5	135	135	49.60	49.20	50.00	336.40	....
Independent No. 1 p.	200	200	93.03	107.37	....	......	3,300
Do., No. 1 gr.	200	200	78.62	97.49	93.97	2,134.15	....
Major Oil No. 1 pfd.	120	120	40.00	30.80	47.20	668.00	1,300
Do., No. 1 gr.	120	120	43.20	41.20	49.60	1,563.40	....
Do., No. 2 net	500	554	154.40	156.80	164.00	4,497.40	5,300
Do., No. 2 gr.	500	554	259.60	233.20	223.20	5,816.80	....
Do., No. 3 net	820	820	259.20	248.40	246.80	5,990.40	8,200
Do., No. 3 gr.	800	820	374.80	....	356.00	......	....
Do., No. 4 net	140	300	137.20	106.00	48.00	2,097.20	....
Do., No. 4 gr.	140	300	128.40	99.20	62.80	3,396.40	....
Do., No. 7 pfd.	500	530	....	264.80	275.00	540.40	7,300
Do., No. 7 dfd.	500	530	....	....	....	......	3,900
Do., No. 7 gr.	500	530	292.40	280.00	261.60	1,286.40	4,200
Do., No. 8 pfd.	325	325	....	....	146.80	146.80	....
Do., No. 8 gr.	325	325	199.60	152.40	132.80	661.20	2,100
Do., No. 8 dfd.	325	325	....	....	....	1,014.40	....
Do., No. 9 gr.	350	515	181.60	153.20	153.60	......	5,200
Do., No. 9 pfd.	350	515	....	....	....	......	2,300
Do., No. 9 dfd.	350	515	....	....	....	4,704.59	3,800
Miracle No. 1 net	385	385	124.27	119.75	121.54	4,706.60	....
Do., No. 1 gr.	385	385	170.40	174.00	180.80	1,291.38	2,800
Do., No. 2 pfd.	220	220	166.62	125.26	141.16	842.72	....
Do., No. 2 gr.	220	220	149.60	110.80	120.40	252.31	1,500
Renown No. 1 pfd.	90	90	36.78	38.59	39.69	3,461.50	....
Winalta No. 1 pfd.	80	80	30.80	26.89	21.20		

*Approximately 25% over dealers' bid prices.
§Approximate.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	8,274	$2,100
Bonaventure gr.	8,274	3,800
Maryland Pete., pfd.	5,088	*4,375
Major Oil No. 6 pfd.	8,022	5,100
Major Oil No. 6 gr.	8,022	6,800
Miracle No. 3 pfd.	8,250	5,700
Miracle No. 3 gr.	8,250	8,000
Northclonmel No. 1 pfd.	8,850	5,200
Northclonmel No. 1 dfd.	8,850	2,200
Northclonmel No. 1 gr.	8,850	7,100
Northend No. 1 pfd.	8,949	3,100
Northend No. 1 dfd.	8,949	1,600
Northend No. 1 gr.	8,949	4,700
Northend No. 2 pfd.	6,450	2,800
Northend No. 2 gr.	6,450	4,500
National Vulcan No. 1	6,025	*4,375
New Ranchmen's pfd.	1,770	*3,200
Empire pfd. (Ont.)†	....	*1,100
Hi-Test Pet. pfd.†	....	*3,600
Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

Corporation Bonds

January 19, 1943

Public Utility Issues:	Int. Rate %	Due	Bid Jan. 19	Ask.	Bid Jan. 12
▲Alg. Cen. H.B.R.	5	'59	23	25	21
†Assoc. Tel. & T.	5½	'55	84	87	84½
B. C. Power	4½	'60	100½	103	100½
B. C. Tel.	4½	'61	105½	108	105½
†Calgary Pwr.	5	'60	110	112	111
Do.	5	'64	105	107	105
†Can. Nor. Pwr.	5	'53	101½	103½	101½
*Dom. Gas & El.	6½	'45	108	110	108
Gatineau Pwr.	5	'49	101	103	101
♦Do., A	3½	'69	101	103	101
♦Do., B	3½	'69	100	102	100
Gt. Lakes Pwr.	4½	'56	101½	103½	101½
Do.	5	'57	99½	101½	99
*Int. Hydro-El.	6	'44	52	55	49½
▲Inter. Power	6	'55	100½	..	100½
L. St. Law. Pwr.	5	'55	101	..	101
Macl'n-Que. Pr.	4	'59	101½	104	101½
Mtl. L. H. & Pr.	3½	'56	104	106	104
Do.	3½	'73	102½	104½	102½
Do.	3½	'63	103	105	102½
†Mtl. Tramways	5	'51	101½	104	101½
†Do.	5	'55	87	90	86½
Nat. Lt. & Pwr.	6	'49	102	..	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102½	..	102½
Ottawa V. Pwr.	5	'59	101½	103½	101½
†Power Corp.	4½	'59	93½	96½	93
Quebec Pwr.	4	'62	103½	105½	103½
*Saguenay P., A	4½	'68	109	111	108
♦Do., B	4½	'66	106	108	105½
St. Maurice Pr.	4½	'70	103½	105½	103½
Shaw. W. & Pr.	4	'61	104½	106½	105
†Do.	4½	'70	112½	114½	..
Do.	4	'69	104½	106½	105
Union Gas	4½	'50	95	98	95
*Twin C. R. Tr.	5½	'52	94	97	95
†United Secs.	3	'52	94½	97	94½
‡Wpg. El. ser. A.	5	'65	93	96	93
Do., B	5	'65	86	89	85½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	61	64	60
Do., C.O.D.	5	'53	60½	63½	59½
♦Acadia Sugar	4½	'55	100½	102½	100½
Do.	6	'54	96	99	96
†Alta Pa. Grain.	6	'46	105½	107½	105½
Algoma Steel	5	'48	103½	106	103½
Atlantic Sugar	4	'51	101½	103½	101½
†B. C. Pulp & P.	6	'50	91½	94½	92
‡†Do.	7	'50	68	72	70
*Brown Co.	5	'59	85½	88½	82½
Burns & Co.	5	'58	80	83	78
Canada Cement	4½	'51	103½	105½	103
Canada Electric	4½	'65	97	100	97
Can. Paper	4½	'52	99½	101½	99½
Can. Steamship.	5	'57	103	105	103
Can. Canners	4	'51	101½	103½	101½
*Can. Int. Paper.	6	'49	106	108	106
‡Can. Locomotive	6	'53	101	103½	100½
‡†Candn. Vickers	6	'47	100	103	98
C.P.R.	3½	'51	97½	99½	97
Do.	4	'49	101½	103½	101
Col. Steamships	6	'54	101½	103½	101½
†Consol. Paper	5½	'61	68½	71½	67½
Dom. Coal	4½	'52	97½	100	97
Dom. Scott. Inv.	4	'52	98½	101½	98½
Dom. Stl. & Co.	6½	'55	106½	109½	107½
Dom. Tar	4½	'51	102½	105	102½
Dom. Woollens	6	'53	98½	101	97½
†Donnacona Pap.	4½	'56	78½	81½	77
*Dryden Pap.	6	'49	103	..	103
†East. Dairies	6	'49	88	91	88½
Famous Players	4½	'51	102	104	101½
†Federal Grain	6	'49	106½	108½	106½
†Fraser Cos.	6	'50	103	106	103
Galt Brass	5	'50	95½	98½	95½
Gen. Stl. Wares	4½	'52	102	104	102
*Gt. L. Paper	5	'55	93	95½	93½
●Gurney Fdry.	6½	'49	91	94	89½

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Jan. 19	Ask.	Bid Jan. 12
†Gypsum Lime	5½	'48	103	105	103
Ham. By-Pr. C.	5	'55	101½	104	101½
Do.	6	'56	100½	103	100½
Ham. Cotton	4½	'50	100½	103	100½
Inter-City Bak.	5½	'48	102½	104½	102½
Indust. Accept.	4	'52	85½	88½	85½
Ins. Ex. Bldg.	3	'51	54	57	54
*Inter. P. Nfld.	5	'68	98	100	98
*Inv. Bond & Sh.	5	'47	39½	42½	39½
†Kingston Elev.	6	'50	104½	107	104½
Lake St. J. P.	5½	'61	85½	88½	84½
Do.	5	'61	59	62	57½
Legare	6	'61	89½	92½	89½
Maple L. M.	3	'58	95	97½	95
Man. Sugar	5	'60	103	105½	103
Massey-Harris	4½	'54	98½	101	98
McColl-Fron.	4½	'49	101	103½	100½
McCormicks	4	'52	99	102	99
Do.	4½	'52	102½	104½	102½
Mercury Mills	5	'59	97	100	96½
Mersey Paper	5	'57	92½	..	92
†Do.	6	'49	93	..	92½
*M. & O. Paper	5	'60	101½	103½	102½
Moirs Ltd.	6	'53	78	..	76
‡Mtrl Drydocks.	6	'48	89	92	87½
Montreal Apts.	4	'54	47	50	47
Nat. Grocers	4	'47	101½	..	101½
N. S. Stl. Coal	3½	'63	82	85	82½
Price Bros.	5	'57	93½	96½	93
Do.	4	'57	78½	81½	78
*Prov. Paper	5½	'47	104	106	104
Reliance Grain.	4½	'52	99½	102½	99½
†Restigouche Co.	6	'48	102	..	102
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	84	..	81
Silv. Dairies	6	'66	95	98	94½
Simpsons, Ltd.	4½	'51	101	103	101
Smith, Howard.	4½	'51	103	105	103
Stand. Lime	6	'44	98½	101½	98½
Sterling Coal	6	'45	99	101	99
Stop Shop	3	'47	62½	65½	62½
United Amuse.	5	'56	99½	..	100
United Corp.	5	'53	97	100	96½
*United Gas	5½	'48	105½	108½	105½
United Gr. Grs.	5	'48	100½	103½	100½
†Western Grain	6	'49	76½	79½	73

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
●Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Showing Bid and Asked by Jan. 19, and changes in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. Thea., pfd.	53	56	+1
Atlas Steels 7% 2nd p.	105½	106½	+1
Brantford Roofing, c.	1½	2½	+1
*Can. Gen. Rubber, pfd.	..	21	..
C.P.R. 4% p. (£ par)	2½	3	..
Can. Paving, 1st pfd.	.90	..	..
Can. Tea 7% pref.	28	..	—
Can. West. Lumber, c.	.20	.35	..
Cawthra Apts., pref.	2½	..	+
Claude Neon, 7% pref.	2	3	..
Commer. Life, 10% pd.	5½	8	..
Copland Brewing	.85	..	—
Dom. Life, 70% pd.	179	205	+
Dover Industries	7	..	..
Dubuisson Gold	.12½	.15½	..
Federal Fdries. com.	.15	..	..
†Ft. Wm. Hotel units	..	45	..
Insce. Exch. Bldg., com	1½	2	..
Loew's London Th. pfd.	7½	8	..
Mont. Deb. Corp., pref.	2½	..	..
Murphy Paint, com.	10	11	..
Do., 5½% pref.	94	96	..
Nat. Hosiery, com.	.90	1.30	—
Do., pref.	.90	1.20	—
†Nor. Amer. Elev. 1st pf.	85	..	..
*Do., 2nd pfd.	30	..	..
Do., com.	..	1	..
Que. Pulp & Paper, p.	24	26	..
Reanite Corp.	1	2½	..
Sawyer Massey, com.	.10	.30	..
St. John Dry D. 5½% pf.	95	98	..
Sincennes McN., com.	1½	..	..
Supertest Pete., 6% pf.	26	27½	..
Tip Top Tailors Inc. un.	7½	9	..
Viceroy Mfg., 6% pref.	23½	25½	..
West. Can. Hydro, pf.	11½	12½	..
Western Life, 20% pd.	11½	13½	..
Windsor Hotel, com.	2½	3½	..
Woods Manfg., com.	3½	..	..

*Issue carries arrears.
†Currently paying on arrears.

Big Wheat Shipment Blocked

Can't Go Through U. S. from Canada to Mexico

From Our Own Correspondent

WINNIPEG. — Disappointment was caused in western Canada by the order of the U. S. Interstate Commerce Commission forbidding the railways to carry wheat through the United States from one foreign country to another. That ruling related to a prospective shipment of some 10,000,000 bushels of Canadian wheat which was expected to move to Mexico as a result of a sale by the Canadian Wheat Board.

Apparently the American railroads expected to be able to find freight cars for the quarter million bushels of this business, and a few cars had actually been loaded at western country elevators when the order was issued which brought a stop to the movement.

Had it been possible to move the grain it would have brought welcome relief to the elevator congestion in western Canada. Sale of Canadian wheat to Mexico is nothing new, and prior to the war large shipments had been made by the sea route from Vancouver.

Canadian wheat, instead of wheat from the United States, was preferred because it is cheaper. Wartime need for conserving transportation facilities was the reason given for the order of the Interstate Commerce Commission.

Sale of Elevators

The elevator system of Gillespie Grain Co., consisting of 65 country elevators in Alberta, mainly in the northern part of the province, as well as a feed plant in Edmonton and two elevators in British Columbia, has been acquired by United Grain Growers Ltd., which is expected to begin taking over on March 1, and to complete the transaction a month or six weeks later, as grain in the different elevators is weighed up.

The commission business in grain and stocks formerly operated by the Gillespie Grain has been sold to other interests. Liquidation of the Gillespie interests was occasioned by the death of Mr. Gillespie, head of the company.

The transaction brings to over 500 the number of country elevators owned by United Grain Growers, which also operates terminal elevators at Vancouver and Port Arthur.

Oats Demand Resumes

Reported last week was a slight recession in the demand from the United States for Canadian oats, occasioned by uncertainty as to the meaning of an order issued by the U. S. Government establishing a ceiling on corn prices in the United States. The recession was temporary, and heavy demand has been resumed. The ceiling is not going to be as low as had been feared, and in any event, Canadian oats are cheap in comparison with American corn.

Owing to the freight rate structure the current demand is for all rail shipment of oats to destinations in the middle western States as far south as Chicago and beyond. The demand is from mills, possibly the greater part for the manufacture of rolled oats for human consumption, but also for livestock feed.

American millers are said to be highly pleased with the quality of the oats in the first carloads received, heavier and plumper than the oats to which they are accustomed.

Prices offered have brought western Canadian prices almost up to the Canadian ceiling, which is 51½ cents per bushel, basis head of the lakes, with an allowable premium of 2½ cents per bushel for specially selected car lots.

General opinion is that if it were not for the ceiling still higher prices might be registered at the present time. Transactions in May oats are taking place at the ceiling price, with July oats at a slight discount, and cash oats at a somewhat larger discount.

A good deal of Canadian barley has gone south, mostly for malting purposes, but some shipments are also going to feed manufacturers. Comparatively few farmers in the United States, where corn is the standard feed grain, are accustomed to feed straight barley, but a lot of barley is put into ready mixed feeds sold by the bag.

DIVIDEND NOTICES

The Royal Bank of Canada

Dividend No. 222

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January, 1943.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 12, 1943.

The Bank of Toronto

Dividend No. 246

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of March next, to shareholders of record on February 15th, 1943.

By Order of the Board.

B. S. VANSTONE,
General Manager.

Stobie-Forlong Assets, Limited — Bankrupt

DIVIDEND NOTICE

Notice is hereby given that a dividend at the rate of 1.005 cents on the dollar will be paid on the 15th day of February, 1943, or so soon thereafter as it can be paid to creditors who have proved and filed claims with the undersigned and whose claims have been approved. All creditors whether holders of debentures of the insolvent company or otherwise who have not filed proof of debt with me should do so at once.

FRED PAGE HIGGINS,
Trustee, Stobie-Forlong Assets, Limited,
36 Toronto Street, Toronto.

Dated at Toronto,
18th day of January, 1943.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass	.40	Mar. 1	Feb. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Anglo-Huronian	.10	Jan. 23	Jan. 8
Ault & Wiborg, p.	1.37½	Feb. 1	Jan. 15
Anglo-Can. Tele., p.	.68¾	Feb. 1	Jan. 15
Aluminum	2	Mar. 5	Feb. 17
Do., pref.†	1.50	Mar. 1	Feb. 10
Bank of Toronto	2.50	Mar. 1	Feb. 15
Bank of Montreal	1.50	Mar. 1	Jan. 30
Belding Cort., c.	*2	Mar. 1	Feb. 15
Berens River	.03	Mar. 10	Feb. 19
Bathurst Pr. & P. A	.25	Mar. 1	Feb. 5
B. C. Packers	.75	Mar. 15	Feb. 27
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 21
B. C. Tele., 2nd pf.	1.50	Feb. 1	Jan. 16
Caldwell Linen	.25	Feb. 1	Jan. 15
Do., 1st pref.	.38	Feb. 1	Jan. 15
Do., 2nd pref.	.20	Feb. 1	Jan 15
Calgary Power, pfd.	1.50	Feb. 1	Jan. 15
Can. Bronze	.37½	Feb. 1	Jan. 11
Do., extra	.50	Feb. 1	Jan. 11
Do., pref.	1.25	Feb. 1	Jan. 11
Can. & For. Sec.	.06	Feb. 1	Jan. 15
Can. South. Rly.	1.50	Feb. 1	Dec. 28
Canada Starch, pref.	3.50	Feb. 15	Feb. 8
Can. Bk. of Comm.	1.50	Feb. 1	Dec. 31
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Converters	.50	Jan. 30	Dec. 28
Can. Celan. Inc. rts.	1	Mar. 15	Dec. 31
Can. Inv. Fund sp ord.	.04	Feb. 1	Jan. 15
Can. Investors	.10	Feb. 1	Jan. 18
Can. Pac. Rly., pfd.	2%	Feb. 1	Jan. 1
Can. Nor. Pr.	▪.15	Jan. 25	Dec. 19
Canadian Oil, c.	.25	Feb. 15	Feb. 1
Cockshutt Plow	.25	June 1	May 15
Cochenour W.	.03	Feb. 16	Jan. 25
Coast Brew.	.03	Feb. 1	Jan. 15
Dairy Corp., pfd.	•1.25	Apr. 1	Mar. 15
Dom. Oilcloth	.30	Jan. 29	Jan. 15
Do., extra	.10	Jan. 29	Jan. 15
Distillers Seag. pf.	†1.25	Feb. 1	Jan. 15
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Bridge	.30	Feb. 25	Jan. 30
Dom. Scot. Inv., pfd.	.50	Mar. 1	Feb. 22
Dom. Fabrics	.20	Feb. 1	Jan. 18
Do., 1st pref.	.75	Feb. 1	Jan. 18
Do., 2nd pref.	.37½	Feb. 1	Jan. 18
Dom. Tar, pref.	1.37½	Feb. 1	Jan. 15
Eastern Steel	.25	Mar. 1	Feb. 15
East. Bakeries pfd.	.81¼	Jan. 15	Dec. 31
East. Twps. Tel.	.25	Jan. 15	Dec. 31
Farmers' Tele.	.63	Jan. 30	Dec. 31
Gordon & Belyea, A	2	Feb. 1	Jan. 21
Do., (B)	.40	Feb. 1	Jan. 21
Grandview Mines	.01	Feb. 1	Jan. 10
Granby Elastic, pfd.	.69	Feb. 1	Jan. 15
Hedley Mascot	.02	Feb. 15	Jan. 23
Hollinger Cons.	.05	Jan. 28	Jan. 14
Honey Dew	.50	Apr. 1	Mar. 15
Hydro-El Secs., B, p.	.25	Feb. 1	Jan. 15
Inter C. Baking	*1	Jan. 30	Jan. 20
Inter Nickel pref.	†1.75	Feb. 1	Jan. 2
Imperial Bank	2	Feb. 1	Dec. 31
Int. Metal, pf. A pfd.	1.50	Feb. 1	Jan. 15
Inter. Util., pr. pf.	†.87½	Feb. 1	Jan. 21
Leitch Gold	.02+.01	Feb. 15	Jan. 30
Lake Dufault	.02	Jan. 25	Jan. 6
Lamaque G	.10	Feb. 1	Jan. 8
Melchers Dist. pfd.	.30	Feb. 15	Feb. 1
Mill C. Pete.	.03	Jan. 29	Jan. 8
Montreal Power	.38	Jan. 30	Dec. 31
McIntyre Porc.	.55½	Mar. 1	Feb. 1
Do.	.55½	June 1	May 1
McManus Pete. pfd.	.30	Jan. 2	Dec. 26
Mtge. Corp. N.S.	1.25	Feb. 1	Jan. 23
Nor. Ont. Pwr.	.12	Jan. 25	Dec. 31
Do., pref.	1.50	Jan. 25	Dec. 31
Ont. Silknit fd. rts.	1	Feb. 15	Dec. 31
Privateer Mine	▪.02	Feb. 10	Jan. 25
Penmans	.75	Feb. 15	Feb. 5
Do., pref.	1.50	Feb. 1	Jan. 21
Power Corp.	▪.15	Feb. 1	Dec. 31
Quebec Power	.25	Feb. 25	Jan. 26
Royal Bank	1.50	Mar. 1	Jan. 30
Royal Trust	.80	Feb. 1	Jan. 20
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Shawinigan W. Pr.	.23	Feb. 25	Jan. 25
Sherwin Wms. ord.	.15	Feb. 1	Jan. 15
Silbak Premier	.04	Jan. 25	Jan. 5
South. Can. Pwr.	.20	Feb. 15	Jan. 20
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref	.75	Feb. 1	Jan. 7
Stuart Oil, pfd.	.20	Mar. 1	Feb. 15
St. Law. Flour	.35	Feb. 1	Jan. 20
Do., pref.	1.75	Feb. 1	Jan. 20
Sag. Power, pfd.	1.37½	Feb. 1	Jan. 20
Simpsons, pfd.	1.62½	Feb. 1	Jan. 23
Sullivan Cons.	.03	Mar. 15	Feb. 15
Teck-Hughes	▪.10	Feb. 1	Jan. 8
Toburn Gold	.01	Feb. 22	Jan. 22
United Corp. A	.38	Feb. 15	Jan. 15
Un. Bond & Share	.10	Jan. 15	Dec. 31
Wood, A. J. pfd.	1.75	Feb. 1	Jan. 15
Weston Geo. pfd.	1.25	Feb. 1	Jan. 15
York Knitting, pfd.	3.50	Feb. 15	Feb. 6
Do., 2nd pref.	3.50	Feb. 15	Feb. 6
Do., com.	.20	Feb. 15	Feb. 6
Zellers	.20	Feb. 1	Jan. 15
Do., bonus	.20	Feb. 1	Jan. 15
Do., pref.	.37½	Feb. 1	Jan. 15

†N. Y. funds. ▪Subject to approval of Foreign Exchange Control Board. *Bonus. •Initial.

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

Dividend No. 224

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th January, 1943, and that the same will be payable at the Bank and its Branches on and after Monday, 1st February next, to shareholders of record at the close of business on the 31st December, 1942. The Transfer Books will not be closed.

By Order of the Board.

S. M. WEDD,
General Manager.

The Dominion Bank

Dividend No. 241

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1943, the dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the first day of February, 1943, to shareholders of record of the 15th January, 1943.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 10th December, 1942.

Belding-Corticelli Limited

NOTICE OF COMMON STOCK EXTRA DIVIDEND

An extra dividend of two per cent (2%) has been declared on the Common Stock of this Company, for the year ended November 30th, 1942.

The above dividend is payable on the 1st day of March, 1943, to Shareholders of record at the close of business the 15th day of February, 1943.

By order of the board,

D. F. POLLOCK,
Secretary.

Privateer Mine Limited

Dividend No. 17

NOTICE is hereby given that a dividend of two cents (2c) per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian Funds, on the 10th day of February, 1943, to shareholders of record on the 25th day of January, 1943, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,

W. S. LANE,
Secretary.

Vancouver, B.C.,
January 9th, 1943.

LEITCH GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 18

NOTICE IS HEREBY GIVEN that a quarterly dividend of two cents per share and an Extra Dividend of one cent per share has been declared by the Directors of this Company, payable in Canadian funds, on February 15th, 1943, to shareholders of record at close of business January 30th, 1943.

By Order of the Board.

W. W. McBRIEN,
Secretary-Treasurer.

January 16th, 1943.

SIMPSONS, LIMITED

Preference Dividend No. 48

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents ($1.62½) per share on the Outstanding Paid-up Six and One-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable February 1, 1943 to shareholders of record at the close of business on January 23, 1943. The transfer books will not be closed.

By Order of the Board.

Frank Hay,
Secretary

Toronto, January 15, 1943

The John Bertram & Sons Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 15c per share and an extra 5c per share has been declared on the outstanding Common Stock of the Company, payable February 15th, to Shareholders of record January 31st, 1943.

By Order of the Board.

J. T. ROSS.
Secretary.

Dundas, January 19th, 1943.

Honey Dew Limited

Dividend Notice

Notice is hereby given that a dividend of fifty cents (50 cents) per share, on the outstanding capital stock of the Company has been declared payable on the first day of April, 1943, to shareholders of record at the close of business on March 15, 1943.

By Order of the Board,

R. G. McMULLEN,
Secretary.

Toronto, Ontario,
January 18, 1943.

DIVIDEND NOTICES

BRITISH COLUMBIA PACKERS LIMITED

NOTICE is hereby given that the Directors of British Columbia Packers Limited have declared a dividend of 75 cents per share, payable by cheque to be issued at Vancouver, on 15th March, 1943, to shareholders of record at the close of business on February 27th, 1943.

Shareholders holding certificates in "street" form are required to surrender such certificates to the Company's transfer agents, The London & Western Trusts Company Limited at its office in Toronto or Vancouver, or the Chartered Trust and Executor Company at its office in Montreal, so that they may become registered as the owner of such shares on or before 27th February, 1943.

NOTICE is hereby also given that the Company's Register of Transfers maintained at the office of the London & Western Trusts Company Limited in the City of Vancouver, B.C., and the Company's branch Registers of Transfers maintained respectively at the office of The London & Western Trusts Company Limited in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 1st day of March to and including the 6th day of March, 1943.

DATED at Vancouver, B.C., this 23rd day of December, 1942.

By Order of the Board,

A. HAMILTON,
Secretary.

Wellington Building Corporation Limited

(United Bond Company Limited Loan W-71)

To the Holders of $425,000.00 First Mortgage Gold Bonds of Wellington Building Corporation Limited

TAKE NOTICE that under and by virtue of an order made by the Supreme Court of Ontario, payment in Canadian Funds of six months' interest to July 5th, 1937, together with interest thereon to February 1st, 1943, at the rate of six and one-half percentum per annum, will be made by the undersigned on and after February 1st, 1943, upon presentation of the Bonds for endorsement of interest thereon.

Dated this 21st day of January, 1943.

THE LONDON AND WESTERN TRUSTS COMPANY LIMITED
Receiver and Manager
244 Bay Street Toronto

Belding-Corticelli Limited

Notice of Annual General Meeting of Shareholders

The Annual General Meeting of the Shareholders of Belding-Corticelli Limited, will be held at 1455 Shearer Street, on Monday, the 15th day of February, 1943, at 12 o'clock noon, for the reception of the Annual Report, the election of Directors, and for the transaction of such other business as may properly come before the meeting.

By order of the board.

D. F. POLLOCK,
Secretary.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

Dividends Nos. 101 and 102

At a meeting of the Board of Directors of McIntyre Porcupine Mines Limited (No Personal Liability) held on the 15th day of January, 1943, the following dividends were declared payable in Canadian currency:

No. 101 for fifty-five and one-half cents (55½c) per share, payable March 1, 1943, to shareholders of record at the close of business on February 1, 1943.

No. 102 for fifty-five and one-half cents (55½c) per share, payable June 1, 1943, to shareholders of record at the close of business on May 1, 1943.

By Order of the Board.

BALMER NEILLY,
Treasurer.

Credit Restrictions Are Aid to Retailers

(Continued from page 9)

ment of consumer spending (which still is an objective) to the place of these restrictions in the price ceiling. It has been found that the restrictions have enabled the retailer better to withstand the "squeeze" of the ceiling, to meet the difficulties arising from increasing costs and reduced markups.

Principal Changes

Principal changes incorporated in the new credit order are as follows:

All goods now require a down payment of at least 33 1/3% with a minimum down payment of $5 and minimum monthly installments of $5 or $1.25 a week. Exception is automobiles which require a minimum down payment of $25. Pianos and furniture, formerly requiring a down payment of 20%, farm machinery and equipment requiring a down payment of 40% and automobiles requiring a down payment of 50% are now included in the standardized down payment of 33 1/3%. These changes are said to be agreeable to the trade in general while sales restrictions in automobiles make it no longer necessary to continue the minimum down payment of 50%.

Reduce Credit Period

With the exception of farm machinery, the maximum period of credit has now been reduced from 12 months to 10 months on all contracts of sale where the deferred balance is less than $500; for $500 and over, 15 months is allowed.

If the amount financed is less than $500 the finance charge is ¾ of 1% per month on the total amount financed for the number of months involved in the period of credit, minimum finance charge being 25 cents. If the amount financed is $500 or more, charge is to be ½ of 1%. However, if this charge will increase the maximum ceiling price, the cash price must be reduced sufficiently to absorb the spread which must exist between it and the time price.

Purchases made on charge accounts are now due and payable in full in a lump sum on the 25th day of the month following the month of purchase with no period for days of grace.

If goods delivered on approval are not returned within 12 business days, they shall be considered to have been sold on a charge account.

A seller is now prohibited from laying-away or reserving any goods to which the order applies for a longer period than three months.

Foods Included

Foods, fuel and drugs if sold under a charge account, formerly exempted, are now covered by the order. W.P.T.B. exempted food in the first place in the thought that its inclusion would work hardship on the poor man. However, in some cases this exemption has resulted in a consumer buying his groceries on credit from the neighborhood store while, at the same time, using his cash resources to meet the stricter terms covering his purchases of durable goods, to a great extent luxury spending.

Repairs and replacements, if not related to real estate, are now covered by the order.

Credit regulations respecting farm implements and machinery were formerly governed by order of the Administrator of Farm Machinery and Equipment. From the enforcement viewpoint it has been decided that it would be more desirable if all installment sales came under the jurisdiction of the Director of Consumer Credit. As farm machinery can rarely be purchased under a certificate of necessity, thus is virtually rationed, there is no longer the same need for a down payment as substantial as 40% and this has been cut to the standardized 33 1/3% as a minimum.

Conduct Survey

To measure the effectiveness of its orders designed to reduce the volume of consumer credit the W.P.T.B. early in Sept., 1942, sent a questionnaire to some 1,500 Canadian retailers asking for the total volume of their sales during the first seven months of 1941 and 1942 broken into cash, charge and installment sales. Figures on accounts receivable were also requested. Of the replies received 970 gave satisfactory total sales figures, while 609 were sufficiently complete to be used in the cash, charge and installment distribution.

Total sales from Jan. 1 to July 31, 1941, in the stores reporting were $173 millions, rising to $194 millions in the same period of 1942, a gain of 11.7%. Department stores represented roughly two-thirds of the total sales covered. Their sales were up 12.9% from $119 millions to $134 millions, while total sales by stores other than department stores rose 9.3% from $55 millions to $60 millions.

DIVIDEND NOTICES

York Knitting Mills, Limited

DIVIDEND NOTICES

Notice is hereby given that a dividend of 3½% has been declared on the First Preference Stock of the Company for the six months ended December 31, 1942, payable February 15th, to shareholders of record at the close of business on February 6, 1943.

Notice is hereby given that a dividend of 3½% has been declared on the Second Preference Stock of the Company for the six months ended December 31, 1942, payable February 15th, to shareholders of record at the close of business on February 6, 1943.

Notice is hereby given that a dividend of 20c per share has been declared on the Common Stock of the Company for the six months ended December 31, 1942, payable February 15th, to shareholders of record at the close of business on February 6, 1943.

By Order of the Board,

WM. A. CLARKE,
Secretary.

Toronto,
January 19, 1943.

Sullivan Consolidated Mines, Limited

Dividend No. 16

Notice is hereby given that a dividend of three cents per share on the issued capital stock of the company has been declared, payable March 15th, 1943, to shareholders of record at the close of business February 15th, 1943.

By order of the Board.

A. ARCHAMBAULT,
Sec.-Treasurer.

Montreal, Que.
January 13th, 1943.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share on the Outstanding No Par Value Shares of this Company has been declared for the quarter ending 31st January, 1943, payable 25th February, 1943, to Shareholders of record at the close of business on the 30th January, 1943.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.,
19th January, 1943.

The Business Of Farming

By GORDON L. SMITH

In another 60 days, if the season is unusually early, land may be ready for seeding. But unless Ottawa moves quickly thousands of farmers will not be ready.

They simply have not the available labor this spring. Without help, they will be forced to follow the trend of the first Great War when much land in eastern Canada went out of cultivation. Great areas of productive soil were put into grass and ranched with beef cattle. Formerly a large and steady flow of dairy, hog and poultry products had come from this area but because of the difficulty of securing adequate labor, owners took the only way out and seeded it down to grass.

May Turn to Grass

That may be the only course open to a lot of farmers in eastern Canada again in this war when the need for concentrated food is a great deal more urgent. Instead of producing the gains planned at the Ottawa conference last fall, Canadian farmers because of the labor shortage may have difficulty in maintaining the present rate of production.

Last week, the writer received the following letter from one of Canada's foremost agricultural authorities, whose name is withheld because of his official connections:

The methods of boosting agricultural production, or at least the objectives, were pretty well determined by the Federal-Provincial Conference which was held some two weeks ago.

As to methods of overcoming labor shortage, that seems to be a Department of Labor proposition. I, just the same as you, would like to know how they are going to tackle this whole question in order to make sure that adequate farm labor will be available to meet emergencies for the peak during the coming season. I do not know whether they are exploring the possibility of organizing city labor, the town boys and girls, the use of Japanese labor, prisoners of war labor, etc.

The urgency of the situation is apparent, and I would not want to even suggest that, because of the labor situation, we have passed the peak of agricultural production in Canada under war conditions. Nevertheless, one has grave fears in that direction unless there is a very definite organization in which town people, troops in training and others are thoroughly marshalled from coast to coast. However, the Department of Labor is supposed to be working on this problem.

Little Hope of Action

There is not a great deal of hope of early action in that. And the person who wrote that letter might also have pointed out that much of the extra agricultural production we were able to show last year was due to luck with the weather. Rains were abundant and so were crops. As a result barns are well supplied with hay, silage and grain. This year we may not be so lucky. It may be necessary to cultivate more, to do some reseeding, to help Nature along.

But all this means extra labor which farmers simply haven't got in sight. And even if this extra work were possible, with unfavorable weather, farmers would be fortunate indeed to hold the level of present production on concentrated foods like meats, and dairy products.

Brewers Say Ottawa Beer Order Curtails Consumption 40%

With beer shortages cropping up in many parts of the country, and many beverage rooms closing early in the day because of exhausted supply, brewers explain that the Ottawa order limiting their output to 90% of what it was in 1942 meant a far more severe curtailment than appeared on the surface.

Reason is that the demand has been rising rapidly, due to a swing to beer from hard liquor and wine, a greater number of men in the armed forces, and increase in industrial employment.

Brewers estimate that on the basis of current demand, the federal restriction actually represents a 40% curtailment. They also claim that Canada is the only country which has taken such a step, and point out that annual per capita beer consumption in the Dominion, nine gallons, compares with 14.5 gallons in Great Britain, 14 gallons in the United States, 60 gallons in Belgium, on the basis of prewar figures.

Lack Control

Canadian brewers manufacture their product under the Department of National Revenue, then are told where and how to distribute it by provincial authorities. They maintain that their lack of control over distribution will aggravate their problems now shortages are developing.

Meanwhile liquor control boards of several provinces are acting to restrict sales and conserve supplies not only of beer but of hard liquors.

DIVIDEND NOTICES

ALUMINIUM LIMITED

COMMON DIVIDEND

On January 14th, 1943, a quarterly dividend of $2.00 (Canadian funds) per share was declared on the common stock of this company, payable March 5th, 1943, to shareholders of record at the close of business, February 17th, 1943.

14th January 1943

J. A. DULLEA,
Secretary

Wheat Prices

Winnipeg Grain Futures

Week of Jan. 18, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Jan. 18
		Wheat			
.94	.92¾	May	.93	.92¾	.92¾
		Oats			
.51½	.45⅝	May	.51½	.50	.51½
.51⅛	.47⅝	July	.51⅜	.49¼	.51⅛
		Barley			
.64⅜	.60¾	May	.64⅜	.63⅝	.64¼
.64	.63⅛	July	.64	.63¼	.63¾
		Rye			
.66⅝	.56¼	May	.66⅝	.66⅝	.66⅝
.66⅝	.55	July	.66⅝	.66⅝	.66⅝

Cash Quotations

	For Week Jan. 18 High	Low	Prev. Week High	Low
Wheat				
1 Nor.	.90½	.90¼	.90½	.90¼
2 Nor.	.87⅛	.87	.87⅛	.86¾
3 Nor.	.83¾	.83⅝	.83⅝	.83⅜
4 Nor.	.81	.80¼	.81⅛	.81
5 Wheat	.78⅛	.76¾	.78¼	.78
6 Wheat	.76⅛	.75¼	.75¼	.75⅛
Feed	.75⅛	.74⅞	.75¼	.75⅛
Oats:				
2 C. W.	.50¼	.48⅛	.49⅝	.47⅝
3 C. W.	.50	.47	.47⅜	.45¾
Barley:				
1 Feed	.62¼	.59⅝	.59⅛	.58½
2 Feed	.61½	.58⅝	.58⅝	.57⅞
Rye:				
3 C. W.	.65⅝	.65⅝	.65⅛	.64⅝

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Kerr-Addison at Capacity

Labor Shortage Affects Ability to Break Ore Supply

With its big shaft sinking programme to 2,825 ft. completed, Kerr-Addison Gold Mines is preparing shaft and stations for crosscutting to the ore zone on some of the eight new levels as rapidly as wartime difficulties will allow. The labor situation is admittedly acute, but it is hoped to start crosscutting at new horizons in two to three months' time.

As the first ore body lies 600 ft. from the shaft at the deeper horizons—slightly farther off than at the upper levels—it will likely be four to six months before work reaches the location of the drill-indicated ore at depth.

Still Losing Men

Like many other gold mines Kerr is losing men all the time and unable to take on others to keep a fully adequate working crew.

The company has lost 240 men so far and a further 89 men are on call. The manpower situation has become so tight that practically no advance development is now being carried on but the company uses six diamond drills on outlining ore and sometimes new ore shows up in this routine and necessary work.

Preparing Shaft Big Job

A big job of work is involved in placing a big mine in readiness for a depth development programme. Stations have to be completed and timbered. Where necessary, concrete and steel must be used to assure permanence. Then ore passes must be cut to take care of ore and waste as it develops. Besides this ore pockets must be cut, a location for the crusher must be established, and a large amount of subsidiary work must be taken care of.

Development has been kept well in hand at Kerr-Addison and the company has its house "in order" to meet wartime difficulties more than most gold mines. But the mine has to have a certain crew to break ore and, in recent weeks, it has been necessary to call on broken reserves to a certain extent in order that the production rate may be maintained.

Broken Ore Important

Fortunately, the company has a large broken ore supply available—built up to meet an emergency such as is being experienced in a minor form at present. This reserve, as reported in The Financial Post some time ago, is over a year's milling requirement at the current milling rate. Of course, it is hardly likely that the company won't be able to break the larger proportion of its mill feed—even with the present labor situation—and a year's broken supply should enable milling to be maintained at capacity for over two years even if only half milling requirements can be broken from ore known to be available.

Lots of Ore

There is a good chance that the war will be over in two years—if not less—and the Kerr-Addison ore reserve is thus a fair asset to "get by" with. The company has also a reserve of over 10 years' unbroken ore.

With the mill continuing at capacity, it appears earnings can be maintained not far from recent levels, depending on the grade of ore sent to the mill.

Norway's Labor Problem

Falconbridge Engineer Reports on Norse Solution

Describing the organization of employers in working out employer-employee relations and negotiations with labor unions, as it has developed in Norway, Anton Gronningsater, widely-known metallurgist of Falconbridge Nickel Mines and for 10 years a Norwegian plant manager, found a definite interest in Norwegian ideas on labor among members of the Toronto branch of the Canadian Institute of Mining and Metallurgy at their monthly dinner meeting.

Mr. Gronningsater informed his listeners that in Norway, fair-minded organization of management has resulted in lessening labor unrest, has been beneficial both from the standpoints of management and labor. Labor relations in Norway have progressed 40 years beyond those in the United States, Mr. Gronningsater declared, and a marked similarity is seen between conditions now developing on the North American continent and those which Norway has gone through.

Salient features of Mr. Gronningsater's address are given below:

"Unions are based on the central idea of co-operation, the sticking together of majority rule, and the employers (in Scandinavia) . . . found that they had to adopt the same principles.

"It was very soon found that the pressure exerted by unions tended to disorganize a reasonable economic balance in industry. Labor joined in groups that on account of numbers acquired considerable economic strength; they often had collected strike funds running into millions.

"If you are not a member of the Employers' Association, the very aggressive and intelligent union management may put you under constant pressure. They pick out individual companies and put pressure on, one at a time.

"I myself was manager for ten years of a unionized plant without being a member of the Employers' Association, so I know how it works. I finally came to the conclusion that to stay outside was impossible. It just wore you out.

"In case of strike, the comparatively few employees of a single individual plant can be supported by the large membership of a group or even by the central labor organization, while the company has no place to go to get help or support. The unions know, that you know, that in case of strike you can get no help from the rest of the industry, so they use the opportunity to squeeze you to obtain one advantage after another.

Reject Some Companies

"In some cases the result has been so bad that the Employers' Association has had to refuse admittance of very big companies that finally became tired of trying to fight alone and wished to join. The Employers Association figured there was too much of a mess to clean up.

"After obtaining such strong advantages in individual plants, the unions use these as strong arguments for getting them in all other plants. Staying outside the Employers' Association, one was therefore sometimes looked upon as a scab, likely to make trouble for others.

"The last few year's happenings in the automobile industry and the steel industry of the U. S. have been striking examples of what is likely to happen with unionized labor and no co-operation between the employers.

"But the dislocation of reasonable wage conditions within certain industries is not the only trouble caused where labor is organized and employers not. Almost worse is that lack of principles, of a general policy, upsets the economic equilibrium in the whole industrial field. Some strongly unionized industries succeed in obtaining wages out of all proportion to the wages in other industries. The building trade is an example.

Equality of Pay

"Enlightened labor has a very strong feeling that justice demands some reasonable relation between the pay in different industries for the same skill and performance. There is also a very natural tendency to fight for terms equal to the most favorable in the country.

"This means not only approximately the same wages in the same industry, but a reasonable, sensible relation between wages in different industries, taking into consideration the nature of the work, climate, living conditions, etc. The importance of this can be clearly seen at the present time, with the lack of reasonable relation between war industries, such as armament industry and shipbuilding, in relation to mining, agriculture, etc.

Selfish Employers

"The situation seems to indicate the need for protection, not only against unions but against selfish labor-pirating employers. I want to stress this: many employers, who are in a position to pass the cost on to somebody else, as the government, show the same selfish tendency and can do as much to upset a sensible economic equilibrium as the unions.

"The necessity of minimizing the above mentioned difficulties was early realized in Norway, where the economics of the country to a very large extent depends upon foreign trade, and where it is plain to everybody, that the country as a whole just must be able to compete. Even labor understands and admits that a small country like Norway cannot dictate prices on the world market. Neither can Canada, as the wheat producers have discovered.

"The main objection to the (Norwegian) Employers' Association was the obligation to join a strike or lockout, even perhaps in another line of business, whenever a majority of the Employers' Association voted in favor of it, even if one's own business was having a boom and running full speed at good prices. A lesser objection was the obligation to substantially stick to agreed labor rates and working conditions; quite often the desire was not to operate with lower wages but to buy peace by paying slightly more than the neighbors.

Restricts Action

"It is clear that membership in the Employers' Association must severely restrict a member's freedom of action. His contract with his men must be approved by his group; the policy of the group is again subject to the approval of the central organization.

"The guiding principle is, that a member of his own accord must not make changes or innovations which may have serious consequences or which may make trouble for other members of the group. Furthermore what one group is doing must be in a reasonable accordance with the actions of the other groups and with the general policy of the association.

"This is hard on strong individualists, who, for instance, can neither cut nor raise wages to suit their own convenience and who, as previously mentioned, must be prepared to bow to the majority and submit to strikes and lockouts even if their business may be running full and having a boom.

"The basic idea for the Employers' Association is, as you will understand, to obtain reasonable uniformity of labor conditions in the country, and jointly to resist demands which are considered either unreasonable or harmful to the industry. It has been found impossible to do that without a corporative association based on the ruling of the majority.

Gold More Likely To Rise Than Fall Says Whaley-Eaton

Whaley-Eaton in a recent foreign letter sees gold as "more likely to rise than to fall." The reasoning behind this conclusion is as follows:

"Gold is 'good' anywhere. The uncertainties of war and the general dislocation of economies and the creation of huge national debts in terms of individual paper currencies combine to give gold, as the classic metallic medium of exchange, a validity that is not impaired by various new theories as to its meaninglessness in the modern world.

"The logic of the situation, also, would indicate that gold will be the medium through which, as a base, international trade will be conducted. Therefore, its price in terms of the various domestic currencies is more likely to rise than to fall."

Moneta's Ore Enough To Last Till March

Moneta Porcupine Mines is expected to exhaust its ore supply some time in March, when milling operations will be suspended.

At present the company is cleaning up the last of the sills and pillars with sufficient ore being obtained to operate the mill at around 100-125 tons per day. Ore possibilities are considered to have been pretty well exhausted.

The company is continuing its outside exploration programme but as yet no property has been acquired to take the place of the original Porcupine mine. Moneta owns a third interest in Dominion Magnesium Ltd., which is engaged in the production of metallic magnesium.

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Gold Mines Encouraged By B. C. Hiring Rule

No General Formula Laid Down But N. S. S. Regulations Relaxed in Respect of Certain Individual Mines

That authorities at Ottawa realize the need for gold mines to maintain certain minimum operating crews appears to be the implication of the relaxation of hiring rules for some B. C. gold producers as reported in a progress report of Privateer Mine. Announcing its own ability to hire extra men, President D. S. Tait sums up the present situation in the following terms:

"The government has not yet announced the adoption of any formula to control employment in gold mines, but has given instructions to relax regulations in respect of certain individual mines to enable them to carry on."

Share Prices Rise

News of the relaxed regulations in respect of B. C. gold mines—hardest hit by the labor shortage—was reflected by a rise in price of most of the gold mines still in production on the west coast, the rise being particularly noticeable in the case of Cariboo Gold Quartz, a severe sufferer from the labor shortage.

Mr. Tait reviews the steps leading up to the new permission to hire men in the following terms:

"The shortage of men at the Privateer mine, as at other B. C. gold mines, was due to the order of the director of National Selective Service made in June last, whereby the gold mines of B. C. were prohibited from hiring any men 'until the needs of the base metal mines are satisfied.' This order had the effect of closing a number of gold mines of the province and reducing the crews of all the others to the danger point.

"D" Category Useless

"The order of June, 1942, was rescinded about a month ago, but in the meantime National Selective Service officials had commenced rationing labor to industry according to categories, with gold mining placed in category 'D', which left the gold mines in no better position.

"The Mining Association of B. C. was assured by the Metals Controller in November last that the government intended to keep the remaining gold mines operating, though on a reduced basis, and the Association was asked to submit its suggestions as to the formula to be applied. The Association's recommendation was that the presently operating mines should be allowed 60% of normal operating crews and should be free to hire men up to that figure.

"The government has not yet announced the adoption of any formula to control employment in gold mines, but has given instructions in respect of certain individual mines to enable them to carry on."

Carson Given Credit

Credit for the more favorable treatment accorded B. C. gold mines is attributed by Mr. Tait in large part to Hon. E. C. Carson, Minister of Mines, in the following terms:

"Acknowledgment must be made to the valuable assistance of the government of British Columbia and of the Hon. E. C. Carson, Minister of Mines, in particular, in pressing upon the attention of the Ottawa government the plight of the B. C. gold mines. It was largely due to Mr. Carson's backing up of our urgent representations that the Privateer mine received permission to recruit the necessary additional men before it was too late."

Canada's Platinum Finds Growing War Uses

Production Expected to be Adequate for Essential Requirements — This Country, Through International Nickel, Largest Source

Increased war needs of the United Nations, development of new industrial processes, scientific research for more dependable materials—all these combined to make 1942 the biggest year in the history of the platinum metals industry, Charles Engelhard, President of Baker Platinum of Canada, declares in his annual survey.

While U. S. and Canadian authorities have found it necessary to restrict the use of platinum for jewellery, Mr. Engelhard says sources of supply should be adequate to meet the probable war needs of the United Nations. Canada is the largest producer of platinum metals, which are derived as by-products of nickel-copper production in the Sudbury area.

Used in Making Acids

"The most important wartime uses of platinum," he declares, "are in the chemical, electrochemical and electrical fields where its high resistance to corrosion, erosion and oxidization are essential. The biggest single use is as a catalyst in the production of nitric and sulphuric acids for munitions plants.

"Various electrical uses are second in importance and are followed closely by the glass and the electro-chemical uses. There are numerous new and interesting developments with platinum in the latter field. Other important uses include the employment of platinum, as well as palladium, its companion metal, for catalytic operations in organic chemistry, such as the production of essential components of vitamins.

"Many of the industrial fields have also shown heavy demands for platinum-clad materials. Essentially, these materials consist of a layer of platinum bonded to silver, nickel, steel, or another less noble metal. . . ."

Palladium for Jewellery

Mr. Engelhard notes that in restricting platinum for jewellery in the United States the War Production Board pointed out that ample supplies of palladium, platinum's twin metal, exist to take care of such requirements.

The market prices of the platinum group metals generally have remained level during the year. Platinum at $36, palladium at $24, rhodium at $125, and ruthenium at $35 to $40 per ounce, have been unchanged for several years. Iridium at $165 per ounce is slightly lower than the 1941 price of $175.

Macassa Profit Close to Normal

With the Kirkland Lake strike early in the year and a chronic labor shortage since, Macassa Mines hasn't been expected to earn as much in 1942 as the 37.7 cents a share for 1941. But the company came close to it. The $253,695 or 9.47 cents a share earned in the fourth quarter of the year, brought 1942 profit to an estimated $884,711 or 33.03 cents a share, only about 4.5 cents below 1941.

From an analysis of 1942 results, it is seen that a lower than usual grade of ore was milled in the first part of 1942, but treatment of a higher grade of ore in the fourth quarter brought the average grade treated for the year to practically the same figure as in 1941.

Recovery $19.12 4th Quarter

Total production for 1942 was $2,122,012 from 120,400 tons of ore, an average of $17.62 a ton. This compared with $2,523,748 from 142,332 tons of ore milled in 1941, an average of $17.73 per ton. In the last quarter of 1942, $577,891 was recovered from 30,212 tons of ore, an average recovery of $19.12 a ton.

Comparing 1942 with 1941, these results are noticeable:

A decrease in operating costs by over $150,000 — due largely to a lower scale of operations.

A decline of about $30,000 in the charge for depreciation.

A drop in taxes from $452,773 to $358,708—due to lower profits.

Mining INVESTMENTS

Information that gold mines will be able to continue production now appears to have been given—unofficially or officially— to the governments of both British Columbia and Quebec by authorities at Ottawa. While no public statement has been made, it appears fairly definite that, for the time being at least, Ottawa has agreed to keep the gold mines, at least in these two provinces, in production on a reduced basis.

As reported elsewhere, certain B. C. gold mines are being allowed to hire extra men in order that "a minimum operating basis" can be maintained. At one mine, a minimum operating basis on the labor "front" has been conceded as 60% of the men ordinarily on the payroll.

* * *

B. C. Chamber of Mines, at its 30th annual meeting in Vancouver, re-elected A. E. Jukes, President of Gold Belt Mining Co., as its president. Commenting on the chamber's part in the search for strategic minerals, Manager Frank E. Woodside reviewed the situation as follows:

"As the organization representing prospectors in British Columbia and the Yukon territory, we are called upon daily to assist these men (prospectors) in their search for new deposits of strategic war minerals.

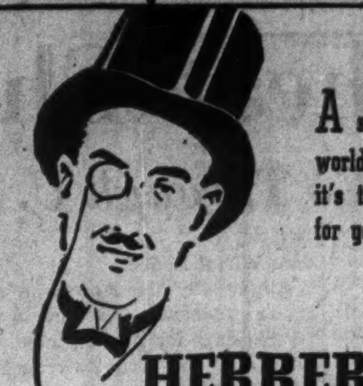
"On the suggestion of George C. Bateman, Metals Controller for Canada, these prospectors, numbering at least 500, have devoted their entire effort to the search for minerals required by the allies manufacturing plants of war equipment.

"All the staff, which has been associated with mining for many years, was well prepared to advise the prospectors about what parts of British Columbia were most favorable for such mineral occurrence, also to show them samples of the various war minerals and explain simple tests that could be made to detect these ores when in the hills."

* * *

Lack of adequate planning is seen by Mr. Woodside as characterizing Canada's mining industry in the past. He suggests—as a measure for postwar rehabilitation—that mining people, with the support of all governments, make arrangements to employ far greater numbers of prospectors and send them into all known favorable areas so that a more thorough stocktaking of mineral resources may be made.

"If this plan had been carried out ten years ago," he declares, "it would have done much to relieve the unemployment problem of that day and now during this time of crisis, we would have been in a position to produce even greater amounts of war minerals."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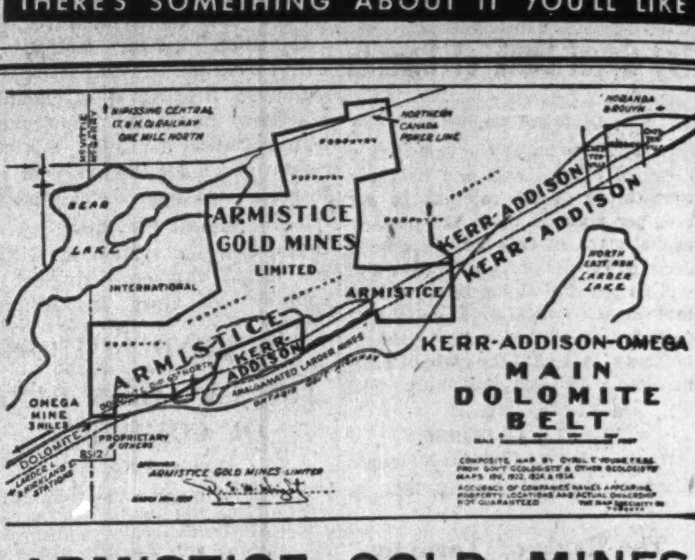

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CANADA CEMENT COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith the fifteenth Annual Statement of the affairs and financial position of your Company as at November 30th, 1942.

Net Earnings, after providing for Depreciation, Income and Excess Profits Taxes (of which $147,000.00 is refundable), etc., amounted to $1,412,726.62 as compared with earnings of $1,631,059.50 in the previous year, a reduction of $218,332.88.

It might be pointed out that the present Income War Tax Act is much more onerous than that in effect in the previous year. Had it been in effect for the whole year (it became effective July 1st, 1942), the Net Earnings of the Company would have been reduced to $1,053,344.00. This will be the approximate maximum amount the Company can earn available for dividends under the present Act, which is equal to about 5¼% on the 6½% Preference Stock.

Dividends paid during the year amounted to $5.00 per share on the Preference Stock, at the rate of $1.25 per quarter. Earnings were considerably in excess of $5.00 per share, but your Directors felt that in view of the fact that approximately $5.00 per share is the maximum amount the Company can earn available for dividends under the present Income Tax Act, and as the future business of the Company for the duration of the war may be considerably restricted, the surplus should be carried forward. The present surplus standing on the books of the Company, while quite considerable, is not all available for dividends. That portion accumulated prior to 1939 is frozen by Government regulation, so far as dividends are concerned.

The volume of business during the year just closed was very satisfactory. Considerable off-shore business developed during the year in which your Company was fortunately able to participate.

Costs of production were higher, due largely to the decided increase in the cost of coal, although other items, such as labour and supplies, entered into this increase.

Distribution of your product was very difficult on account of the fact that the demand was, in large measure, out of routine channels, requiring in many cases long freight hauls. Distribution to the Maritime Provinces was affected by difficulties of boat shipments, due to conditions with which you are familiar. These troubles added considerably to the cost of distribution.

Owing to the severe wartime restrictions on private building construction and the completion of so much of the war industry construction, there will be a considerable falling off in the use of cement during the coming year. Preliminary estimates by the Company's own statistical organization indicate that this reduction will amount to from thirty to forty per cent under the 1942 consumption.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

CONSOLIDATED BALANCE SHEET, NOVEMBER 30, 1942

ASSETS

CURRENT ASSETS:			
Inventories of Cement, Materials and Supplies as determined and certified by the Management and valued at or below cost, which is below market		$ 1,559,284.47	
Accounts Receivable (less Bad Debts Reserve)—			
Customers' Accounts	$ 892,431.54		
Other Accounts	72,442.21		
		964,873.75	
Government Bonds (Market Value $3,007,743.75)		2,986,392.00	
Dominion of Canada Treasury Bills, par value $500,000.00, due February 12, 1943		499,345.15	
Cash		1,736,341.07	
			$ 7,746,236.44
INVESTMENT IN COMPANY'S OWN BONDS, at par			93,500.00
REFUNDABLE PORTION OF EXCESS PROFITS TAX			147,000.00
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES			130,476.34
BOND REFUNDING EXPENSE (less amounts written off)			990,000.00
PROPERTY ACCOUNT:			
Land, Buildings, Plant and Equipment, etc. (as appraised by Messrs. Ford, Bacon & Davis, Inc. on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost; with subsequent net additions; less Depreciation Reserves of $21,634,702.81			35,334,875.10
			$44,442,087.88

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable	$ 537,034.58		
Bond Interest Accrued	37,187.50		
Preference Dividend declared of $1.25 per share, payable December 21, 1942	251,086.25		
Government and other Taxes (after prepayment of $1,750,000.00 to the Dominion Government)	729,992.53		
			$ 1,555,300.86
FIRST MORTGAGE BONDS:			
Authorized	$20,000,000.00		
Issued Series "A"	$16,500,000.00		
Outstanding— 4¼% Sinking Fund Bonds due 1951			10,500,000.00
MORTGAGE ON CANADA CEMENT BUILDING:			
Repayable in semi-annual instalments and balance due in 1948			495,000.00
RESERVES:			
Fire Insurance	$ 750,000.00		
Extraordinary Repairs and Renewals	350,000.00		
Industrial Accidents	57,300.00		
Contingent Reserve	400,000.00		
			1,557,300.00
PREFERENCE SHARES REDEMPTION RESERVE			55,900.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH, REDEEMABLE ON SIXTY DAYS' NOTICE:			
Authorized (of which $21,000,000.00 has been issued)	$25,000,000.00		
Outstanding			20,086,900.00
NOTE—Dividends are in arrears $35.75 per share.			
COMMON SHARES:			
600,000 Shares of No Par Value out of an authorized issue of 750,000 Shares			6,403,904.75
EARNED SURPLUS:			
Profit from Operations after providing $1,825,000.00 for Depreciation, but before deducting the undernoted items		$ 4,321,682.53	
Executive Remuneration	$ 90,038.86		
Directors' Fees	10,740.00		
Legal Expenses	1,113.01		
		101,891.87	
		$ 4,219,790.66	
Add: Income from Investments		41,519.49	
		$ 4,261,310.15	
Deduct:			
Bond Interest (net)	$ 442,283.53		
Mortgage Interest	21,300.00		
Contribution to Pension Fund	100,000.00		
Proportion of Bond Refunding Expense	110,000.00		
Provision for Income and Excess Profits Taxes (of which the Refundable Portion of Excess Profits Tax is $147,000.00)	2,175,000.00		
		2,848,583.53	
		$ 1,412,726.62	
Earned Surplus, November 30, 1941		3,232,400.65	
		$ 4,645,127.27	
DEDUCT: Dividends on Preference Shares at $5.00 per share		1,004,345.00	
Earned Surplus, November 30, 1942		$3,640,782.27	
DEFERRED SURPLUS:			
Refundable portion of Excess Profits Tax		147,000.00	
			3,787,782.27
			$44,442,087.88

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1942, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1942, and that the Statement of Profit and Loss correctly sets forth the result of their combined operations, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.
Montreal, January 5, 1943.

Approved on behalf of the Board:
J. D. JOHNSON, Director.
C. C. BALLANTYNE, Director.

Tungsten is stated to have found a new use in production of "heavy metal"—an alloy produced by compressing and sintering a mixture of tungsten and nickel powders. The new product is used for X-ray tubes and radio-active units, and also for contact surfaces for electrical circuit breakers. It is called "heavy metal" because of its original use in balancing instruments and high-speed mechanisms. Normal composition is 90% tungsten and 10% nickel, it is stated, but a proportion of copper, to replace part of the nickel, permits lowering the sintering temperature and better blending of the powders.

Listing Lifts Veil on Aluminium

First Breach in Wartime Secrecy Reveals Tremendous Growth

Wartime censorship has withheld from Canadians the story of the tremendous expansion of one of the Dominion's greatest enterprises. Behind this screen Aluminium Ltd. has increased output from 50,000 tons to a current objective of half a million tons, has installed one of the largest hydro-electric power developments in the world, has spent $157.8 millions on plant expansions and plans to spend $68.8 millions more.

By JOHN E. LANGDON

MONTREAL.—With the wartime veil of secrecy surrounding the company and its operations partially removed through listing of the stock on the Canadian exchanges, it is possible to appraise what has happened in the last three years to Aluminium Ltd.

In 1938 about $1 out of every $5 of profits earned went to taxes; in 1942 the ratio is closer to $1 out of every $3.

Huge War Outlay

From 1939 to Sept. 30, 1942, the company spent $157.8 millions on plant and another $68.8 millions is earmarked for further construction. During this period Aluminium Ltd. has undertaken construction of one of the largest single hydro-electric power developments in the world.

In 1938 the company boasted of an aluminum output of some 50,000 metric tons annually. On completion of the present programme, it has been officially stated that capacity will be approximately one billion pounds annually.

Net assets of fully owned subsidiaries in the enemy territory and investments in other companies similarly located, less reserves, aggregate $13.3 millions.

From Dec. 31, 1939 to Sept. 30, 1942, working capital increased $63.2 millions.

Assets have increased from $114 millions at the beginning of 1939 to $346 millions at the end of last September.

Big Part in War

These highlights of Aluminium Ltd.'s changed position since the war started tell only part of the story of the amazing development that has taken place.

Official secrecy prevents telling the whole story. But in the papers covering the listing of the common stock on the Canadian exchanges it is possible to piece together several items which tell something of what has happened and is happening.

Took Over in 1928

Aluminium Ltd. was created in 1928 as a Canadian company to take over and develop the foreign properties of Aluminum Co. of America. Its original shareholders were the same as the Aluminum Co. of America. On Nov. 14 last there were 2,358 shareholders holding 744,410 shares. Some 74 holders of 1,001 shares and up between them held majority control—574,295 shares.

In the intervening years efforts have been made to widen investor interest until at present about 45% of the common shareholders are Canadian.

Starting with scattered properties in Canada, British Guiana, England, Norway, France, Germany, Italy and Yugoslavia, the company has endeavored to round out and integrate its operations. New outlets were sought, first through acquisition of interests in fabricating enterprises and later by construction of fabricating plants in England, Holland, Switzerland, India, China, Australia, Germany and Japan.

Major Share in Canada

The distribution of gross fixed assets and investments of Aluminium Ltd. and fully owned subsidiaries is approximately as follows:

	% of Total Fixed Assets
Canada	82
Other parts of British Empire	10
Enemy territory	7
Miscellaneous	1

Where It Stands Today

Exclusive of properties in enemy territory, subsidiary and other allied companies are summarized below:

2 mining companies — one in British Guiana and the other in Newfoundland;

4 transportation companies—all in Canada—two railways, one shipping company and one terminal company.

4 power companies—all in Canada—two central stations, one transmission and one distribution company.

6 aluminum production companies—one in Canada, 3 in the United Kingdom and one each in India and Sweden.

9 aluminum fabrication companies—two in Canada, two in the United Kingdom, two in Switzerland, two in India and one in Australia.

4 sales companies—one each in Canada, Argentina, Brazil and Switzerland.

11 miscellaneous companies — four in Canada, three in Switzerland, two in the United Kingdom and one each in United States, and British Guiana.

The Big Six

The combined fixed assets of Demerara Bauxite Co., Saguenay Terminals, Roberval and Saguenay Railway Co., Aluminum Power Co., Aluminum Co. of Canada, and Northern Aluminum Co. represent approximately 97% of the combined fixed assets of all the fully owned subsidiary companies of Aluminium Ltd. outside of enemy territory.

The investment in Saguenay Power Co. exceeds 99% of Aluminium Ltd.'s investments in subsidiary companies, outside of enemy territory, which are carried at $7.4 millions.

Spent $157 Millions

Even before the war started Aluminium Ltd. started to step up the production of aluminum. A fraction less than $5 millions was spent in 1939. Since then the outlay on new construction has skyrocketed:

1939	$ 4,999,687
1940	17,291,577
1941	57,210,694
1942 (up to Sept. 30)	78,371,571
Total	158,873,529
Earmarked for construction	68,860,140
Grand total	$226,733,669

Borrow on Contracts

Obviously this is wartime emergency spending. Capital has had to be advanced by various governments in order to make the expansion programme possible. This has created $155.9 millions of indebtedness.

The company has outstanding $55.6 million of 3% redeemable notes, due 1961, payable to the British Government.

These notes represent advances made by the British Government in consideration of a large increase in productive capacity. They are payable in full if all such added capacity is used throughout the 20-year period ending on their maturity date. If such added capacity is used only in part, the notes are proportionately payable only in part, both as to principal and interest.

Advance payments on sales contracts aggregate $82.7 millions.

Since May, 1941, the company has entered into contracts with the governments of Australia, the United Kingdom and the United States for production and delivery of large quantities of virgin aluminum ingot—bulk of the deliveries to be made by the end of 1944.

Under these contracts advances of some $93 millions against sales have been contracted to assist the company in financing plant expansion. These advances are to be paid off at a specified rate per pound of aluminum delivered.

In the event of cancellation by the buyers the company would be relieved, except for a liability of less than $700,000, of the obligation to repay the balance of such advances not then liquidated.

Has Line of Credit

Third, there is outstanding $1.1 million 3% note ($1 million payable in U. S. funds) to the Export-Import Bank, Washington, repayable $50,000 (U. S.) annually, balance in 1952.

This note represents a loan made by an agency of the United States Government under credit lines which provide that Aluminium may borrow, up to the end of 1945, on similar terms, various sums aggregating $34¼ millions.

Finally there is a $16.5 million 1¾% bank loan, due 1944 ($15 million U.S.), refundable into Export-Import Bank, Washington 10-year 3¾ loan payable 5% annually, balance at maturity.

This refunding operation would entail the use of the credit lines referred to previously.

Earnings Soar

Reflecting the vast expansion in productive capacity and increased output, earnings of Aluminium Ltd. have soared.

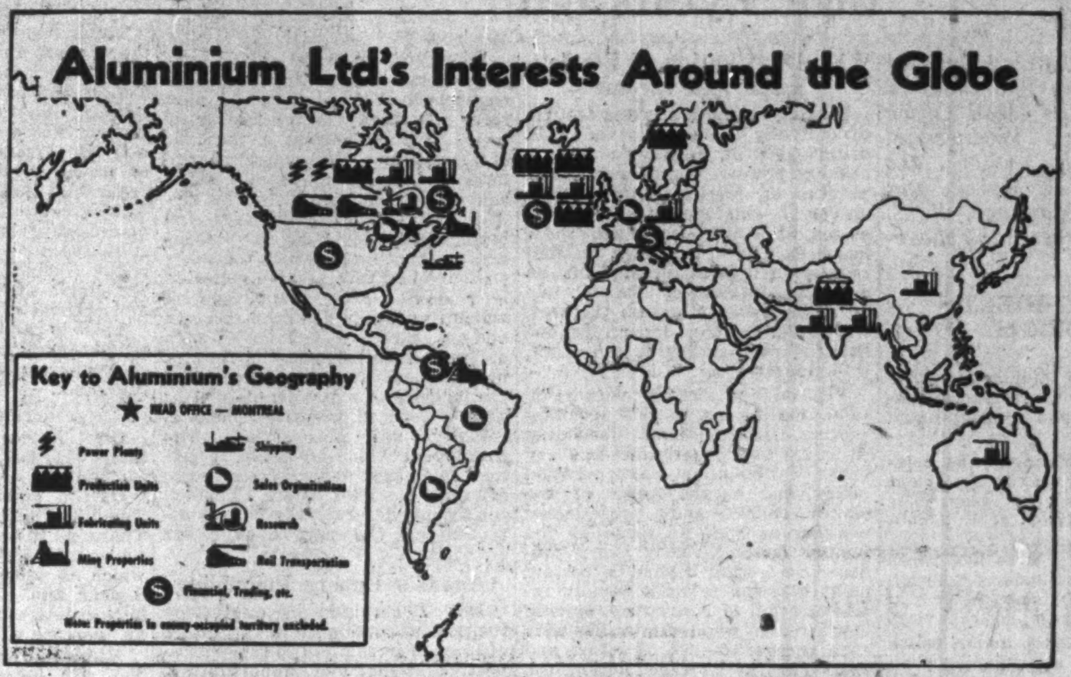
From 1938 to 1941 gross operating income advanced from 21.7 millions to 73.2 millions. For the first 9 months of last year they totalled $68.1 millions and for the full year will likely reach nearly $90 millions.

Depreciation charges, part of which were charged against production costs and part against profits, kept pace with gross income, moving up from $3.6 millions in 1938 to $23.3 millions in 1941 and $30.7 millions for the first 9 months of 1942.

Profits available for dividends on the common stock do not reflect the company's vast expansion in business, primarily because of substantially higher taxes. The tax bill rose from $4.5 millions in 1938 to $27.9 millions in 1941. For the 9 months to Sept. 30 last $23.4 millions was provided. Of the latter figure $346,121 represents refundable portion of the Canadian tax.

Save on Costs

Co-incident with this record expansion of plant facilities, production and earnings, the fuller utilization of its resources has permitted the company to reduce the basic price of aluminum about 20% since the outbreak of war.



Map by The Financial Post

To meet growing requirements for aluminum, Aluminium Ltd. has tripled its assets in less than three years; boosted them from $114 millions at the end of 1939 to $346 millions at Sept. 30, 1942. While the company's plants are widely spread throughout the world, as shown above, the company has lost only $13.3 millions in enemy or enemy-occupied territory.

The Week in Oils

From Our Own Correspondent

CALGARY.—Standard Oil Co. of British Columbia reported this week on the first six months' operation of its "discovery well" at Taber, Taber-Province No. 1. The report confirmed the expectation that the well is the best producer yet completed in Alberta outside the Turner Valley field.

Although it was actually on production little more than half of the time, the well produced a total of 19,138 bbls. of 18.4 gravity crude oil in the six months from completion to Dec. 31, 1942. Here is the yield by calendar months: July, 3,000 bbls.; August, shut in all month; September 615 bbls.; October, 4,933 bbls.; November, 6,053 bbls.; December, 4,537 bbls.

The well is being pumped spasmodically, output being dependent on current market requirements and the availability of storage. The official opinion is that the Taber-Province producer is capable of pumping steadily at around 250 bbls. per day. It has, on test runs, pumped at rates up to 370 bbls. in 24 hours.

* * *

"Temporary" Marketing Basis

Marketing of past and current Taber-Province production is on a "temporary basis," pending development of a greater production potential in the Taber field which would permit erection of suitable refining facilities in the field for turnng out fuel oil and asphalt, the prime products obtainable from Taber crude. The oil so far marketed has been sold to the Huff refinery at Lethbridge; to General Petroleums, for use as fuel for Taber area drilling; and to the Natural Solium Products plant at Bishopric, Saskatchewan.

Net well-head price for Taber crude under this temporary marketing basis is not available for publication, principally because it does not provide a measure of the actual competitive value for Taber oil which will be obtainable when processing arrangements have been completed and marketing is placed on a permanent basis.

Meanwhile, the Hi-Test Petroleums No. 3 well, southwest offset of Taber-Province 1, is midway to completion. Spudded in on Jan. 4, the well early this week was making progress below 1,800 ft., with completion looked for around 3,200 ft. Results at this test, which should be known by the end of January, will have an important bearing on the future course of development at Taber, and the rapidity with which processing and marketing arrangements are completed for Taber crude.

* * *

Four-well Programme

New development in the Taber area this week was an announcement that Barnwell-Taber Oils has entered into an agreement with Nassau Explorations by which it will participate with Nassau jointly with Standard of British Columbia in a four-well drilling programme at Taber.

Under the original Standard-Nassau agreement, each of these two companies provides half the costs of development on their jointly owned property, and shares in production on the same basis. Under the new agreement Barnwell-Taber acquires one half the Nassau interest in four wells to be drilled, all of which are to be offsets to production. Initial well will be an offset to the Taber-Province 1 producer. Work on the first joint test in the new programme is slated to start shortly.

For its one-quarter interest in the four wells Barnwell-Taber Oils will pay $13,000 each for drilling share in the first two wells, $10,000 for the option to participate in the second two offset wells, and $7,000 each for its share in drilling cost of the second two wells. In addition it will pay one fourth the actual casing and production equipment costs. The wells will be subject to not more than 12½% gross royalty. Drilling and production will be managed by Standard of B.C.

* * *

May Drill Other Wells

In addition to the four wells in participation with Standard-Nassau, Barnwell-Taber Oils contemplates four wells on its own 640-acre block in the Taber area. Arrangements are being made to finance the programme through issue of debentures aggregating $210,000 par value, and 420,000 no par shares. Each $100 unit will consist of a $100 debenture at $95, and 200 shares at 2½ cents each.

The debenture and share plan is being followed rather than the royalty plan because, assuming production is obtained, capital will be returned to debenture holders free of personal income tax. The company also anticipated a capital appreciation derived from an increasing value of its common shares, again assuming that production will be obtained.

* * *

Royalite Drills Another

Another new location has been added to the growing Imperial Oil group string of wells in Turner Valley. The new site is for Royalite No. 70. The well is to be drilled in the centre of L.S.D. 11 22-20-3w5, a quarter of a mile west of the Royalite 68 well, now drilling close to completion in the Madison lime. Presumably No. 70 will be drilled with the rig from No. 68. The site is on the northwest flank of the structure.

The Imperial group now has eight wells drilling in Turner Valley, not including Devonian Test No. 1, in which Imperial is associated with 13 other groups. The staking of No. 70 raises to six the number of sites already selected for drilling as rigs become available through completion of Imperial wells now under way. This programme is the largest in Imperial group history in Turner Valley.

The recently completed north Turner Valley extension well, Northwest Hudson Bay No. 11, showed an "initial production" following completion of acidizing of 1,349 bbls. per day, the Conservation Board reported today. The well has been on steady production the past week, the last official production report showing the well operating under back pressure at 30 bbls. hourly, with gas-oil ratio around the 1,000 cu. ft. per bbl. mark. An allowable rate of around 500 bbls. per day is considered likely.

Mining Concentrates

Halliwell Gold Mines has received payment for 200,000 shares under the company's agreement with David Holdings Ltd. Balance comprises an option on 1,300,000 shares which are exercisable to the extent of at least $5,000 worth of shares each month. Issued capital is 3,192,517 shares, leaving 1,807,483 shares outstanding.

* * *

Sullivan Consolidated is carrying on operations normally, with a new ore shoot opened in the north section of No. 4 vein on the 950-ft. level. Drifting for a length of 135 ft. gave values averaging $13 per ton. Investigation of the company's molybdenite claims in Lacorne twp., Quebec, has resulted in locating four veins, two of which appear to have some importance. The company has staked or optioned 2,500 acres in the district, where geology and structure are favorable for this mineral. While no systematic sampling has been done, it is evident that the molybdenite is widespread and diamond drill has been purchased to help in the programme of investigation.

* * *

Sylvanite Gold Mines in paying a dividend of three cents a share on Jan. 15, 1943, instead of the usual five cents on Dec. 31, notes that the reduction in dividend was "deemed wise and necessary because of war conditions limiting employment and supplies and resulting in a reduction of tonnage from 650 to 500 tons daily, with the possibility of still further reduction in tonnage and earnings. If the war ends sooner than can be counted on, and production, as expected, then increases to normal, the directors will plan to resume the regular dividend rate of 5 cents per share quarterly at the earliest possible date."

Gold Belt Mining Co. continues to produce at a rate of $60,000 to $70,000 monthly despite the labor difficulties which have caused a rapid falling off in production at many other B. C. gold mines. Output was $62,191 from 4,257 tons of ore in December, slightly higher than the output for the preceding month.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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Management, Labour and Government Co-operation Vital to Post-War Success

Canada can take pride in her war-time industrial achievement

says F. H. MARSH, President of

THE BANK OF TORONTO

Total Assets 53% Greater than 5 years ago

The 87th Annual General Meeting of the Shareholders was held at the Head Office in Toronto on Wednesday, January 20th, when the President, F. H. Marsh, and the General Manager, B. S. Vanstone, addressed the shareholders.

THE PRESIDENT'S ADDRESS

Gentlemen:

The statement and report presented for your consideration discloses a strong and soundly liquid position.

The General Manager has commented in detail on the statement and operations of the year. The fact that total assets show a substantial gain and are today 53% greater than they were five years ago indicates continuous expansion of the Bank's business which you will agree, I am sure, is gratifying.

The circumstances under which we meet today are happier than were those of a year ago. At that time, Japan had just embarked upon her career of conquest while the European axis was entrenched deep in Russia. Britain was grimly holding on while the United States was organizing a programme of industrial and military expansion designed to turn the tide ultimately in favor of the united nations.

We now vividly realize the weight of the powers against which we have to contend, and the severity of the struggle which still lies before us. Nevertheless, the events of 1942 strengthen the belief that the final victory will be on our side. Indeed the year appears to have brought the real turning point in the war. Its earlier reverses, which were serious enough, have been offset by some successes, the most notable of which were the effective fight waged by the Russians and the accession of nearly all of North Africa. The closing weeks of the year saw the axis not merely checkmated but actually on the defensive at most points. The united nations have made net gains in the balance of power in the air, on the sea, and on land.

Behind the fighting fronts is a vast industrial machine which is well integrated and attuned to the war, and which is distributed throughout Great Britain, the United States, Russia, Canada and other allied countries. Civilian life is regimented for war purposes, but without actual hardship as yet in Canada. The closely related and difficult problem of war finance is being capably met.

War is the Main Issue

Under these conditions the customary type of survey dealing with production trends, capital development and the other complexities of normal life is hardly possibly. The individual is no longer the arbiter of his own life, since at least one-half of our entire output is channelled into those products and services which are needed for the war. Even in respect to the remainder there is such a degree of regulation that he has little choice as to how he shall spend his money.

Through the use of nearly all plant facilities and the employment of all available workers we have reached a new gross in the national production, now estimated at the rate of about eight billion dollars per annum. On the whole we can view with pride the industrial achievement which is being brought to bear on the war front and which is also decently maintaining our civilian life.

Whether we can maintain such a rate of production after the war is another matter. In normal times there is no insatiable buyer. Instead, it is necessary for the seller to meet the buyer on terms satisfactory to each. The yardsticks of demand, price and cost must again come into play. But, having in mind the already obvious shortages of goods, the reconstruction needs and the new inventions or processes that are being developed during the war, we at least can anticipate that our economic life will be on a broader scale than formerly.

Wide Distribution of Employment and Income

Possibly the most striking feature of our war economy is the wide distribution of activity and purchasing power. There has been a process of levelling up through universal employment at liberal wages, while at the same time there has been a levelling down through regulation and taxation. This no doubt was inevitable. The principle of trying to get through the war, without either hardship on the one hand or profiteering on the other, is eminently just.

Yet we are already witnessing some limitations to this levelling process. Instances of slackening effort are occasionally met in every phase of production—in corporation policy and in the ranks of the white collar and professional workers as well as those at the factory bench. Nearly every producer sees that beyond a certain point taxation takes a rapidly increasing toll of his reward, leaving him a return which diminishes with each successive unit of effort and risk. For the average worker the percentages are substantial. For those in high income brackets the net gain becomes almost negligible. In the business which is subject to excess profits taxation, net gain is near the vanishing point, qualified by the credit of a small proportion which is to be refundable after the war.

Fortunately, the spirit of patriotic endeavour prevails. Sacrifices which come near to confiscation are being tolerated because it is recognized that all must bear a heavy burden, and that no economic policy in such an emergency can be perfect in respect to assessment of the costs.

Incentives Needed for Progress

While we are doing our utmost under these circumstances, we should at the same time take note of the lessons because of their bearing on our future. Canada is a land of opportunity, but its development depends upon adequate rewards and attractions to both labor and capital. The patriotic fervour of the war will not always be with us. The principle of taxation in accordance with ability to pay will undoubtedly stay. But any national policy which aspires to build up the country or even maintain it at its present level, must include dependable and worth-while incentives for those who are willing to work and to save beyond the average.

In these days of constant searching for post-war charters, platforms for political parties both old and new, and plans for corporate and individual policy, this point deserves more attention than appears to have been given it. The effort to better our condition is the mainspring of progress both individual and corporate, but it does not follow that we must break entirely from the past. Insofar as we do start afresh, we must see that the essential factors for successful existence, prosperity and progress are included in our scheme of life.

Post-war Opportunities are in Sight

That there will be both needs and opportunities after the war is evident to the casual eye. Whole nations are already starving for the food which Canada can produce. The wheat surplus, to which we have referred in recent years as a valuable though temporarily embarrassing asset, can disappear like magic when international trade is resumed. Large quantities of forest and mineral products will be needed to restore shattered Europe.

Apart from wheat, we will probably face these opportunities with shelves bare of merchandise. The situation will have to be remedied as quickly as possible, for even at the best of times mankind has little enough between itself and starvation. In this promising future Canada should have an important share, provided that her efficiency is not impaired by too many governmental controls or by an excess of ultra-radical ideas.

Likewise, we must avoid entanglements which disturb public confidence. As an example I may refer specifically to the matter of income tax obligations on account of past periods. Increasingly large numbers of citizens of all classes are voicing concern over the difficulties and in many cases the hardships arising from the present arrangement under which the taxes on individual incomes are collected long months after the income on which they apply has been received and disbursed. To have such obligations fall due in the time of unsettlement after the war, when the incomes of many people will be greatly reduced or entirely lacking, would be still more serious. The Ruml plan which has been receiving so much publicity, or some alternative suited to our Canadian conditions, deserves the closest attention on the part of our tax authorities.

Canada's Future Promising

May I conclude by expressing the utmost confidence in the future of Canada in relation to these prospective needs and opportunities, and in her ability to play an increasing part in the world's industry and commerce. Indeed our prospects may fairly be appraised as second to none. We are possibly far enough from the war to escape direct material damage, but we cannot escape the irreparable loss of many of our finest young men, the nation's most valuable asset.

While the winning of the war must continue to be the predominant thought in our mind, the real test for our democratic way of life will undoubtedly present itself when the war is over and we have achieved victory. It is the part of wisdom, in fact, it is a duty to the gallant men and women who are fighting for us that post-war plans be formulated now, having as their aim full employment, higher living standards and greater economic security for all. This challenges the best thought of our business and political leaders. It is encouraging to know that our Dominion Government has a strong committee of reconstruction actively working on post-war problems, one of the most important of which is providing profitable employment for all who are capable of working.

Due to the pressing demand for increasing quantities of war supplies during the past three years, Canada's industrial capacity has been greatly expanded not only by enlargement of existing plants and the erection of new ones, but by introduction of improved machinery and better methods of operation as well. These should be important factors in enabling us to sell our products at competitive prices in both foreign and domestic markets.

With her vast and only partially developed natural resources of power, agriculture, timber, gold, radium, nickel, iron and other base metals, Canada will occupy a unique and enviable place in the post-war economy. The responsibility for the development and distribution of these resources in a way that will allow all classes of Canadians to benefit equitably is great and must depend on capable, honestly-directed industrial enterprise working in harmony with efficient, loyal, well-paid labour, supplemented where necessary by Government assistance and wisely administered control.

The unselfish co-operation of management, labour and Government is essential to maximum success.

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:

The Eighty-Seventh annual statement submitted today covering the Bank's operations for the year ending November 30th, 1942, will, I believe, be accepted by you as satisfactory.

Profits

Our earnings, after making provision for all known or anticipated contingencies and the usual contribution of $150,000. to Officers' Pension Fund, were slightly higher than those of the previous year but an increase in Federal Taxes of $195,683. resulted in a reduction of $156,826. in net profits which amounted to $1,214,729. After writing off $250,000. against Bank Premises and paying regular dividends amounting to $600,000., there remained a balance of $364,729. to be added to Profit and Loss Account which now stands at $860,530., the sum of $2,000,000. having been transferred to Rest Account which now totals $12,000,000.

The increased rate of federal taxation in 1942 was applicable to only 5 months of our fiscal year and our taxes will undoubtedly be considerably higher in 1943, but we anticipate being able to meet them without requiring to reduce our usual dividend of 10% which is equal to 3.18% on shareholders' funds consisting of Capital, Rest, and Profit and Loss Accounts.

Total Assets

Total Assets, $215,636,066., are the highest in the history of the Bank and represent an increase of $33,410,064. for the year, this being largely due to greater industrial activity and wartime financing.

Quick Assets consisting of cash or assets readily convertible into cash total $144,632,553.—equal to 73.55% of our liabilities to the public. Of this amount $31,318,016. is represented by Cash, Bank Balances (including our deposit with the Bank of Canada) and notes and cheques of other Banks.

This is a high percentage of readily available assets and indicates the strong liquid position of the Bank.

Securities

Our investment in securities totals $111,996,512.—an increase of $36,356,040.

Of this amount 95% consists of Dominion and Provincial issues. Those maturing within two years represent $63,113,719. of the total which is $30,568,634. higher than a year ago. Those of a slightly longer date amount to $43,413,570., an increase of $6,529,773.

Municipal Securities at $1,905,853. are lower by $728,356. and other bonds, debentures and stocks at $3,563,368. also show a small decrease.

Call Loans

Call Loans, $1,318,025., are higher by $171,250. There is still little demand for this type of loan.

Current Loans

Current Loans, $63,009,888., show an increase of $2,749,255. A substantial amount consists of loans to various industries engaged in the production of war material. We are also extending assistance to purchasers of Victory Loan bonds and our grain loans continue at a high figure.

While our loans have shown consistent increases during the past few years, the percentage of loans to deposits is less than we would like and we welcome opportunities to extend credit facilities for the development of business both large and small.

Municipal Loans

Loans to Municipalities total $3,001,444.—a decrease of $436,726.

The discontinuance of capital expenditures and the continued improvement in tax payments have enabled a large number of Municipalities not only to reduce their funded indebtedness but also to decrease their borrowings from the Banks for current expenditure.

Bank Premises

These now stand on our books at $2,969,822.—a decrease of $209,990., the appropriation of $250,000. accounting for this reduction.

During the year the erection of a new permanent office at Gaspe, Quebec, was completed and our office space enlarged at several other points, this being necessary to take care of increased volume.

Notes in Circulation

These amount to $2,242,719., a reduction of $738,250. Under the provisions of the Bank Act our circulation is now being reduced at the rate of 10% of our paid-up capital each year and for the year 1943 the maximum amount permitted is $2,700,000.

Deposits

Total Deposits, $190,367,333., show a very satisfactory increase of $33,654,917.

Deposits from the Public amount to $154,833,592. consisting of:

Non-interest bearing deposits $61,598,680.—an increase of $5,693,748.

Interest-bearing deposits $93,234,911.—an increase of $3,444,574.

In view of the heavy withdrawals by the public for investment in the various Victory Loan issues, this may be regarded as a very satisfactory showing.

The Dominion Government deposit with us amounted to $33,610,410. — an increase of $24,409,201. This item in time of war is subject to wide fluctuation.

Deposits of Provincial Governments $1,923,330.—an increase of $107,393.

There is also one very valuable asset, an intangible one, which you will not find in the balance sheet. I refer to the ever-increasing goodwill accumulated during the eighty-seven years of the Bank's existence which constitutes an important factor in the steady growth of our business.

Branches

In an effort to conserve manpower Canadian banks have closed 163 branches during the twelve months ending November 30th, 1942, and in conformity with this policy we have discontinued the following offices:—

- Avenue Rd. & St. Germain Ave., Toronto
- Bloor St. & Howland Ave., Toronto
- College St. & Dovercourt Rd., Toronto
- Lansdowne
- London North
- London West
- Milton
- Mount Dennis

On November 30th we had 167 branches.

Inspections

All branches of the Bank have been inspected by our Inspection officers during the year and the usual audit of cash, securities and loans at Head Office and the principal branches in Toronto, Montreal, Winnipeg and Vancouver has been made by the shareholders' auditors.

Staff

It affords me great pleasure to express our sincere appreciation of the splendid co-operation and consistently efficient work of our Staff during the past year. The senior officers have had greatly added responsibilities, not only because of the increased volume of business but also in the training and supervision of the younger members of the Staff, most of whom are girls who have been with us only a comparatively short time. The junior members of the Staff deserve special commendation for the splendid spirit in which they have approached their tasks and the competent manner in which they have discharged their duties.

At the present time we have a staff of 1,457, of whom 60% are women as compared with 20% at the commencement of the war.

Over 400 members of the staff are now serving in the Armed Forces. All are on leave of absence for the duration of the war and are assured of a position upon their return. Of these splendid young men, I deeply regret to report that six have made the supreme sacrifice and three are listed as missing.

In conclusion let me say that your Bank has assisted the war effort in every possible way. It has been our policy throughout to provide fullest credit facilities for those of our clients who are engaged in the production of war supplies, to do our share in Government financing and to participate in the distribution to the public of Victory Bonds, War Savings Certificates and Stamps as well as to perform numerous other services relating to wartime activities.

The success of the recent Third Victory Loan, when cash subscriptions reached the very large figure of $991,536,500. and over 2,000,000 subscribers participated, is praiseworthy. Such an immense sum could only have been raised as the result of the patriotic fervour of the Canadian people and a very efficient organization.

There will undoubtedly be further issues by the Government during the present year and it is absolutely essential that these be given full support by every one. This will necessitate continued self-denial and sacrifice. We are confident that each Canadian citizen will do his part.

THE BANK OF TORONTO

Eighty-seventh Annual General Report

30th November, 1942

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1942, after providing $150,000.00 for Staff Pension Fund, $1,098,628.32 for Dominion Taxes (of which $60,453.10 is refundable under the provisions of the Excess Profits Tax Act) and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	$1,214,729.98
Written off Bank Premises	250,000.00
	964,729.98
Dividends at the rate of 10% per annum on the par value ($100.) of the shares	600,000.00
Balance of Profits carried forward	364,729.98
Profit and Loss Balance 29th November, 1941	2,495,800.57
	2,860,530.55
Transferred to Rest	2,000,000.00
Profit and Loss Balance 30th November, 1942	860,530.55

ANNUAL BALANCE SHEET

LIABILITIES

Notes in Circulation		$ 2,242,719.00
Deposits by and balances due to Dominion Government	$33,610,410.97	
Deposits by and balances due to Provincial Governments	1,923,330.29	
Deposits by the public not bearing interest	61,598,680.65	
Deposits by the public bearing interest, including interest accrued to date of statement	93,234,911.37	
		190,367,333.28
Deposits by and balances due to other chartered banks in Canada	112,636.20	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	2,146,497.49	
		2,259,133.69
Acceptances and Letters of Credit outstanding		1,755,870.45
		196,625,056.42
Capital paid up	6,000,000.00	
Rest	12,000,000.00	
Dividends declared and unpaid	150,479.31	
Balance of profits as per Profit and Loss Account	860,530.55	
		19,011,009.86
		$215,636,066.28

ASSETS

Gold coin held in Canada	105.00	
Subsidiary coin held in Canada	310,633.99	
Notes of Bank of Canada	5,430,265.00	
Deposits with Bank of Canada	11,955,921.32	
Notes of other chartered banks	60,150.00	
Government and bank notes other than Canadian	67,627.10	
Cheques on other banks	10,423,389.16	
Due by banks and banking correspondents elsewhere than in Canada	3,069,924.50	
		$ 31,318,016.07
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	63,113,719.52	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	43,413,570.00	
Canadian Municipal Securities, not exceeding market value	1,905,853.83	
Other Bonds, Debentures and Stocks, not exceeding market value	3,563,368.79	
	111,996,512.14	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	1,318,025.00	
		113,314,537.14
		144,632,553.21
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	63,009,888.30	
Loans to cities, towns, municipalities and school districts	3,001,444.52	
Non-Current Loans, estimated loss provided for	12,925.60	
		66,024,258.42
		210,656,811.63
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,755,870.45
Mortgages on Real Estate sold by the Bank		13,792.04
Bank Premises, at not more than cost, less amounts written off		2,969,822.82
Deposit with the Minister of Finance for the security of the note circulation		175,559.82
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes)		64,209.52
		$215,636,066.28

F. H. MARSH, *President.*

B. S. VANSTONE, *General Manager.*

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1942, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

TORONTO, 18th December, 1942.

New Books

Postwar Fluctuations

ECONOMIC FLUCTUATIONS IN THE UNITED STATES AND THE UNITED KINGDOM. 1918-1922. League of Nations Studies, $1.50.

In this volume the League of Nations continues the studies launched with its "Network of World Trade," recently published, and providing light on the problems that may follow this war by displaying the problems that followed the last war. As announced in the long title, the work deals with the fluctuations between the armistice and the beginning of 1922.

How valuable these studies can be is reflected by the conclusion reached—that the main dislocations after the last war were not caused by the difficulty of re-employing demobilized soldiers and munitions workers, but by the extreme and irregular swings in consumer demand. One of the tables, for example, shows that the demand for housing rose some 125-fold between 1918 and 1920—obviously such sharp increases in the production of consumer durable goods would be followed by sharp declines.

The study will act as a valuable corrective to the currently popular notion that full employment is the sole problem of the postwar period.

Advice to Salesmen

SELLING IN WARTIME—Marketing, Toronto. $1.

"Selling in Wartime"—a booklet of seven articles reprinted from Marketing—condenses into 15 pages a whole course in modern, practical salesmanship. These articles comprise chiefly lessons learned through the impact of war on business. Several of the contributors emphasize some of the same essentials to success, such as the value of keeping thoroughly informed on government regulations and business news generally, but all bring out lessons of varying nature.

Thoughts on Keynes

KEYNESIAN ECONOMICS. By Mabel F. Timlin. The University of Toronto Press, $2.75.

We prefer using "Thoughts on Keynes" to the title of "Keynesian Economics" adopted by the author. The latter label appears to promise the reader a simplified handbook on the economic doctrines of Lord Keynes. Since Keynes' principles are perhaps more generally accepted and applied in practical war and peacetime finance than those of any other economist, the need for such a "popular edition" is unquestioned.

The present volume does not pretend to fill the gap. It is a criticism and addition to Keynes' latest comprehensive work, published in 1936. It amplifies and further develops some of the theories he has propounded, but can only be studied intelligently by a reader who already understands Keynes' theories.

As such, it is a useful addition to the library of the economist, a valuable exercise for the economic student.

Inter-City Baking Co., controlled by Lake of the Woods Milling Co., has declared a bonus of $1 a share on the common stock, payable Jan. 30 to holders of record Jan. 20. This makes $4 a share for the fiscal year ended Jan. 31, 1943.

Taxes Hold Down S.C. Power Profits

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co's earnings show a moderate decline in December. Accompanying a drop of $2,338 in gross earnings, was an increase in taxes and other charges, leaving a surplus after dividends of $114, as against $5,765 in Dec., 1941.

For the three months ended Dec., 1942, gross income was off $8,568; taxes increased $18,587, while other charges were slightly higher, leaving a surplus, after dividends, of $4,290.

Income and Surplus Account

December	1942 $	1941 $
Gross income	261,142	263,480
Less: Expenses	85,991	83,827
Taxes	58,860	55,728
Int., deprec. & divds.	116,177	116,160
Surplus	114	5,768
Three Months Ended December		
Gross income	808,335	816,907
Less: Expenses	256,347	255,4[illegible]
Taxes	196,418	177,831
Int., deprec. & divds.	351,280	351,119
Surplus	4,290	32,499